

# AGRICULTURAL OUTLOOK

January-February 1986

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**1986 Outlook Issue**

# AGRICULTURAL OUTLOOK

January-February 1986/AO-116



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# In Brief. . .

## News of the Outlook for Farm Income, Food Prices, Exports

House and Senate conferees agreed in mid-December on provisions for the 1985 farm bill. Basically, the bill allows loan rates for the major crops to drop while target prices and dairy price supports are held at current levels for 1 to 2 years. The bill also provides for acreage reduction and cash land diversion programs, as well as for a long-term acreage conservation reserve totaling 40 to 45 million acres. For dairy, an 18-month whole-herd buyout program is included.

Net farm income in 1986 is projected to range from \$22 to \$26 billion, compared with \$25 to \$29 billion in 1985 and \$34.5 billion in 1984. Gross income will likely fall more than production expenses.

Net cash income this year is expected to be near 1985, as Government programs continue to support farm income. Net cash income may range from \$37 to \$41 billion.

The Consumer Price Index for food is expected to climb very modestly again next year—2 to 4 percent—compared with an estimated 2.2 percent increase in 1985.

U.S. farm product exports in fiscal 1986 are forecast at \$29 billion, 7 percent below 1985's \$31.2 billion and nearly \$15 billion below the 1981 peak. Export value will slip because both prices and volume will likely fall. Volume is forecast at a little over 120 million tons, down 4 percent from 1985, because of continued strong competition from other exporters and large production gains by traditional importers.



Beef production in 1986 could fall 4 to 6 percent from 1985, the result of a drop in slaughter numbers and lighter slaughter weights. Pork production is forecast to decline about 1 percent. However, fall-quarter 1986 production may rise 3 to 5 percent from 1985, mark-

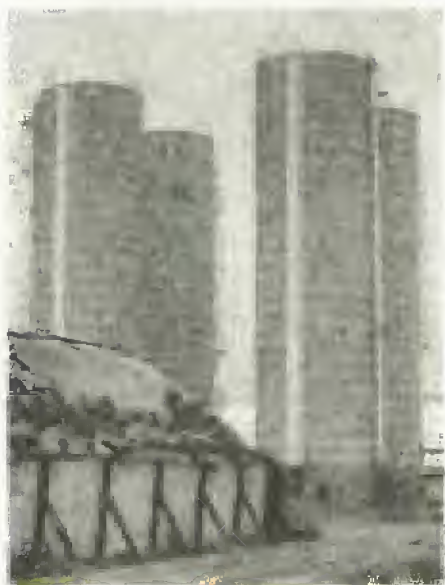
ing the beginning of an expansion likely to carry into 1987. With costs of production stable and output of red meat down, broiler producers are expected to increase output 4 percent in 1986.

Milk production for next year is forecast to reach a record 148 billion pounds, up 3.3 percent from this year. Commercial use will also probably gain, likely reaching nearly 132 billion pounds, but the increase will be less than the boost in supply.

U.S. cotton prices in Northern Europe averaged 40 percent above foreign prices. As a result, U.S. exports may fall from 6.2 million bales in 1984/85 to 3.1 million in 1985/86. Domestic mill use will be stronger this season than last because of an increase in cotton's market share. However, the improvement may be short lived; retail sales are flat and textile imports have begun to grow again.

The feed grain outlook for 1985/86 is one of record U.S. output, diminished Soviet demand, and large competing supplies in world trade. Prices are depressed, and the 1985/86 U.S. carryout is expected to top the 1982/83 pre-PIK record. Global coarse grain production is forecast to reach 845 million tons, 4.5 percent over last season's record.

At press time, provisions of the 1985 farm bill had been approved by Congress but not yet signed by the President. The next issue of *Agricultural Outlook*, to be mailed around March 1, will present a full analysis of the bill. In subsequent issues, we will also discuss possible effects of the Gramm-Rudman-Hollings Budget Amendment.



## Agricultural Economy

Agriculture is awaiting new policy directions. U.S. exports are forecast to decline to \$29 billion during fiscal 1986, compared with \$38 billion in 1984 and \$31.2 billion in 1985. Total farm cash receipts fell 1-3 percent in 1985 and an additional drop is expected in 1986. Despite an improvement in prices during fall 1985, cattle and hog numbers continue to shrink, although liquidation of breeding stock may be over. Disappearance of U.S. cotton during 1985/86 is forecast to be the lowest this century. While the roots of these problems include the high value of the dollar and the rise in third world debt, U.S. farm policies have exacerbated the loss of market share, and farm policy is one thing the agricultural community can influence.

### Revenue from 1985 Wheat, Corn, Cotton, and Soybeans

	Cash receipts <sup>1/</sup>	Gov't payments <sup>2/</sup>
	Dollars per acre <sup>3/</sup>	
Wheat	88	30
Corn	268	33
Soybeans	173	0
Cotton	276	69

<sup>1/</sup> Farm value of harvest.

<sup>2/</sup> Includes deficiency, diversion, and storage payments. <sup>3/</sup> Includes planted and diverted acres for cotton, soybeans and spring wheat, and harvested and diverted acres for winter wheat and corn. All figures are ERS estimated averages.

Debate over the 1985 farm bill began over a year ago, and four major objectives for U.S. agricultural policy have frequently been mentioned:

- 1) boosting exports,
- 2) protecting farm income,
- 3) reducing Government spending, and
- 4) reducing Government involvement in agriculture.

Since accomplishment of all four at once is difficult, the 1985 policy debate centered on which objectives to emphasize and which implicitly to set aside. The current focus of Congress appears to emphasize boosting exports and protecting farm income.

House and Senate negotiators agreed in mid-December on provisions for the 1985 farm bill. The provisions will allow U.S. market prices for the major crops to drop, thus boosting exports, while target prices and dairy price supports are held at current levels for 1 to 2 years. The bill also provides for modest acreage reduction and cash land diversion programs, as well as for a long-term conservation reserve totaling 40-45 million acres. For dairy, a whole-herd buyout program is included.

The cost of the commodity provisions is estimated at \$52 billion over the first 3 years (but the effects of the Gramm-Rudman-Hollings Balanced Budget Amendment on farm programs are still being analyzed). The bill deals with U.S. surpluses basically by giving farmers incentives to reduce acreage and by allowing prices to adjust to market clearing levels. Decisions about acreage reduction programs and loan rates must still be made by the Administration.

### Target Prices To Be Unchanged, While Loan Rates Drop

The conference committee version of the farm bill contains wheat, food grain, upland cotton, rice, and soybean titles which either allow loan rates to fall up to 20 percent or allow repayment of the loans at market prices or the original loan rate, whichever is lower.

For example, the wheat loan rate might be \$3 a bushel, but if the world market price for wheat averaged \$2.80 a bushel (adjusted for transportation costs and quality differences to a U.S. farm price basis), farmers would be required to repay only \$2.80 a bushel when redeem-

ing their loans. This innovation, known as a "marketing loan," could lower the price floor below loan rates.

### Dairy Supports Could Fall

The dairy program will continue to feature a \$11.60-per-cwt support level during 1986, but the support could be reduced to \$10.60 by 1988 if Government purchases continue to exceed 5 billion pounds a year.

Wheat and feed grain target prices are kept the same as in 1985 for 2 years, but cotton and rice target prices are frozen for only 1 more year. Target prices for all the major program crops may be reduced a total of 10 percent by 1990.

Last year, direct Government payments under deficiency, diversion, storage, and conservation programs amounted to about \$8 billion, or only about 6 percent of farmers' gross cash income. However, when net CCC lending activity (loans minus repayments and storage costs) is considered, the farm programs account for a much greater percentage of gross income. Further, the programs are extremely important to the direct beneficiaries—grain, soybean, and cotton farmers.

Direct Government payments to wheat farmers will amount to about 25 percent of gross receipts from their 1985 crops. Cotton farmers will receive about 20 percent, and corn farmers about 11 percent of gross income per acre from direct Government payments on 1985 crops. Further, these proportions could exceed 50 percent in 1986, because target prices will be held constant while loan rates and market prices fall.

The farm bill and its 1986 program provisions will affect more than just prices, of course. Decisions regarding planting, soil preparation, fertilizer and pesticide applications, and financing must be made soon. In fact, many decisions affecting 1986 crops have already been made, and winter wheat has already been planted. [Terry Townsend (202) 786-3313]

## LIVESTOCK HIGHLIGHTS

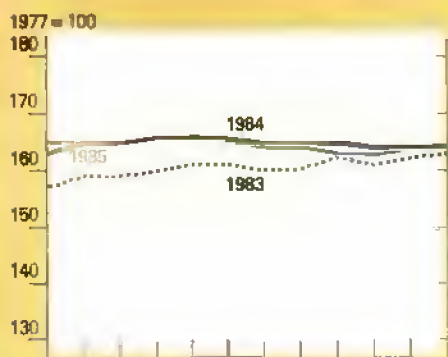
### • Cattle

Beef production in 1986 is expected to decline 4 to 6 percent, the result of a 3- to 5-percent drop in slaughter numbers and a 1- to 2-percent reduction in slaughter weights. The calf crop in 1985 declined for the fifth consecutive year, and another decline in 1986 is almost certain.

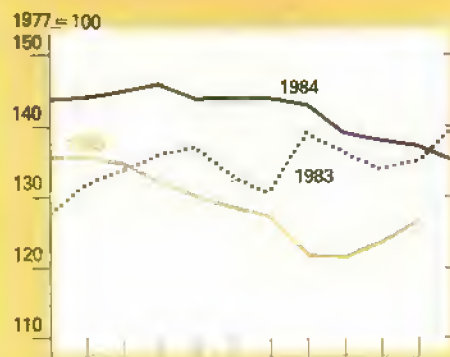


# Prime Indicators of the Agricultural Economy

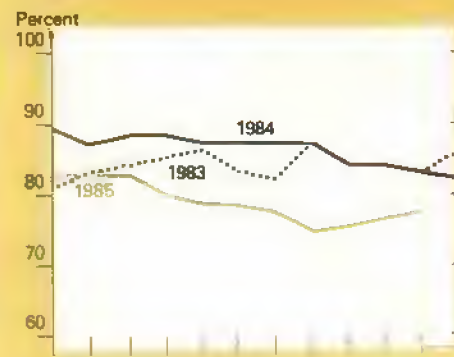
Prices paid by farmers<sup>1</sup>



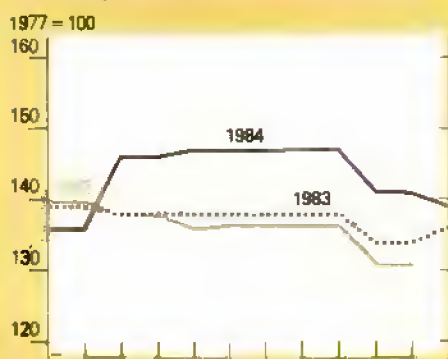
Prices received by farmers<sup>2</sup>



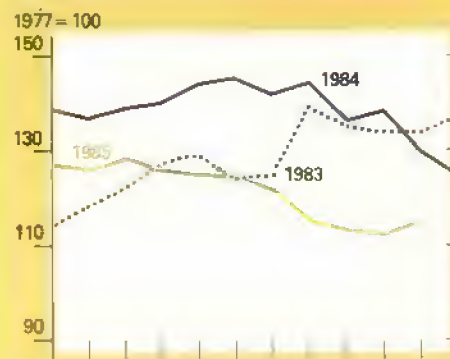
Ratio of prices received to prices paid



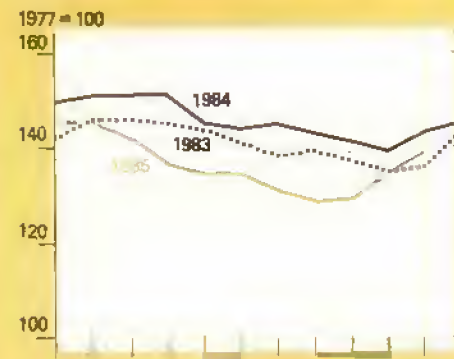
Fertilizer prices<sup>3</sup>



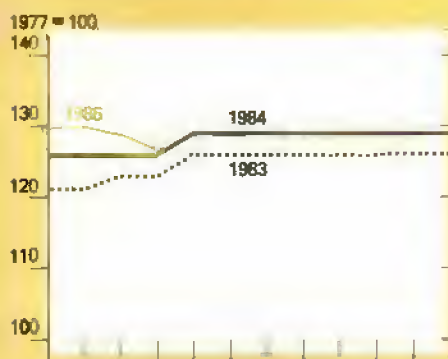
All crops<sup>4</sup>



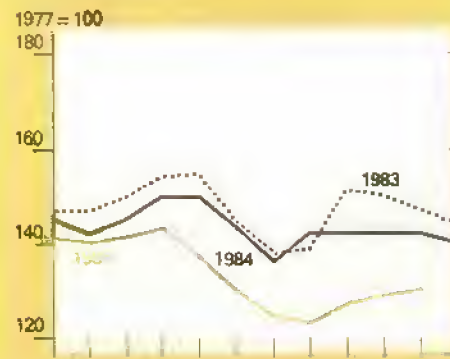
Livestock and products<sup>4</sup>



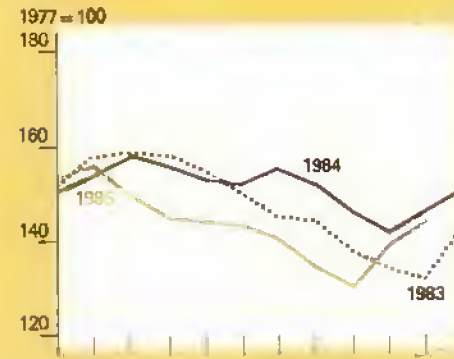
Agricultural chemicals<sup>3</sup>



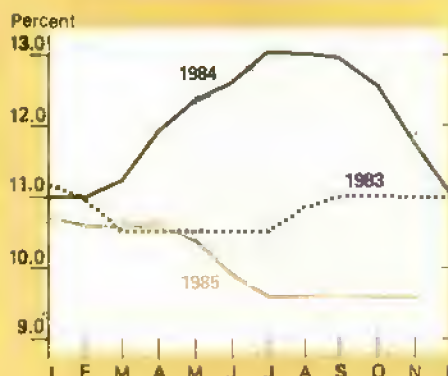
Food grains<sup>4</sup>



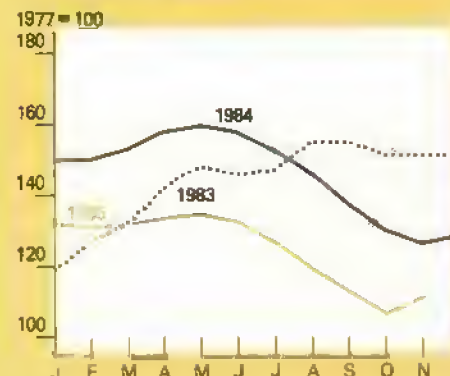
Meat animals<sup>4</sup>



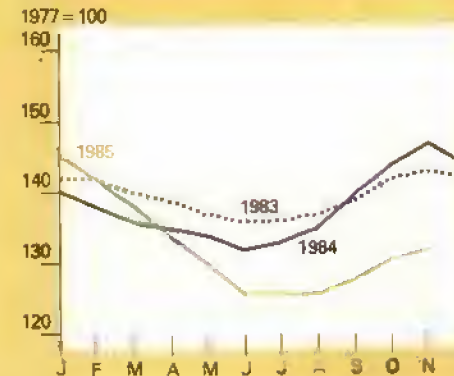
Interest rates—prime rate



Feed grains and hay<sup>4</sup>



Dairy products<sup>4</sup>



<sup>1</sup>For commodities and services, interest, taxes, and wages.

<sup>2</sup>For all farm products.

<sup>3</sup>Index of prices paid; 1977 = 100.

<sup>4</sup>Index of prices received; 1977 = 100.

Cow slaughter in 1985 likely dropped 18 percent, partly because of improved forage conditions in most areas and a buildup in hay stocks. For 1986, cow slaughter could decline another 6 to 9 percent, although the proportion slaughtered may still remain relatively high as closer culling and the need for cash continue.

Even though cow slaughter has declined, the cattle inventory will continue to drop until larger numbers of heifers are retained to expand the cow herd and the calf crop. On July 1, 1985, the number of beef heifers being retained for herd expansion was down 11 percent from a year earlier. Improved forage conditions and stronger feeder calf prices may encourage some increase in heifer retention in spring 1986. However, heifers retained and bred this coming spring and summer will not calve until 1987. These calves would not contribute to expanded beef production until 1988. Heifers not retained for the breeding herd will be placed on feed or slaughtered as nonfeds. Therefore, the rate of heifer retention could have an impact on 1986 beef production.

Commercial cattle slaughter numbers for 1985 likely slipped 4 percent from 1984, with fed slaughter up 2 percent and nonfed slaughter down 17 percent. In spite of the reduced slaughter, beef production rose slightly above year-earlier levels because of an unexpected 4- to 5-percent rise in slaughter weights. In 1986, fed slaughter will continue to comprise a larger-than-normal proportion of the slaughter mix, resulting in continued high slaughter weights. But, weights should ease from the 1985 record. Nonfed steer and heifer slaughter is expected to decline again in 1986.

First-half 1986 placements of cattle on feed may rise above the low first-half 1985 figure. First-quarter 1986 marketings are expected to be down 4 to 6 percent from a year earlier. Marketings are likely to remain 2 to 4 percent below 1985 in the spring and summer quarters, before rising near or slightly above 1985 next fall.

Retail prices for Choice beef likely averaged about \$2.33 a pound in 1985, down about 3 percent from 1984's \$2.40. With beef and total red meat supplies reduced in 1986, retail beef prices may rise, but only slightly above 1984. Large supplies of less expensive meats and a continued sluggish economic expansion will hold price gains near the general inflation rate.

In 1985, Choice fed steer prices at Omaha may have averaged \$58 a cwt, nearly \$7 below 1984. In 1986, reduced beef supplies and some decline in fed cattle marketings, together with a narrower marketing spread, will likely result in prices averaging in the middle \$60's. Strongest prices are likely in the spring and early summer, before total meat supplies start to expand next fall.

Yearling feeder cattle prices at Kansas City likely averaged about \$65 a cwt in 1985, a bit below 1984. The spread between fed and feeder cattle widened to \$7 per cwt, reflecting reduced feeder cattle supplies and lower feeding costs. Prices in 1986 are expected to rise, but they may average only about \$67 per cwt, \$2 to \$3 above fed cattle prices.

Feeder calf prices will probably remain strong in 1986, as the calf crop continues to decline and low feed prices and abundant forage supplies encourage feedlot placements. Prices will likely remain \$5 to \$7 above yearling prices. Lower-than-expected grain prices or sharper increases in beef prices could result in further price gains.

Utility cow prices at Omaha have averaged \$39 to \$40 per cwt for the past 4 years. For 1985, prices likely averaged near \$39. With reduced cow slaughter expected again in 1986, prices may strengthen. However, without strong incentives for expansion and even sharper slaughter reductions, prices are likely to remain in the low \$40's, only slightly above recent levels. *John Nalivka (202) 786-1830*

Hog producers' intentions in September were to farrow fewer sows in the ensuing 6 months than a year earlier. Although intentions for the December-February quarter were just fractionally down from a year earlier, the September

market hog inventory and farrowing intentions suggest that pork production may average below year-earlier levels through mid-1986.

Producers appear to have stopped liquidating their breeding herds. Sow slaughter in late 1985 was running well below the large levels of 1983 and 1984. Fewer gilts were being retained than in earlier years, however. Nevertheless, lower grain prices last fall and stronger hog prices in late 1985 could result in further gilt retention and increased pork production in late 1986.

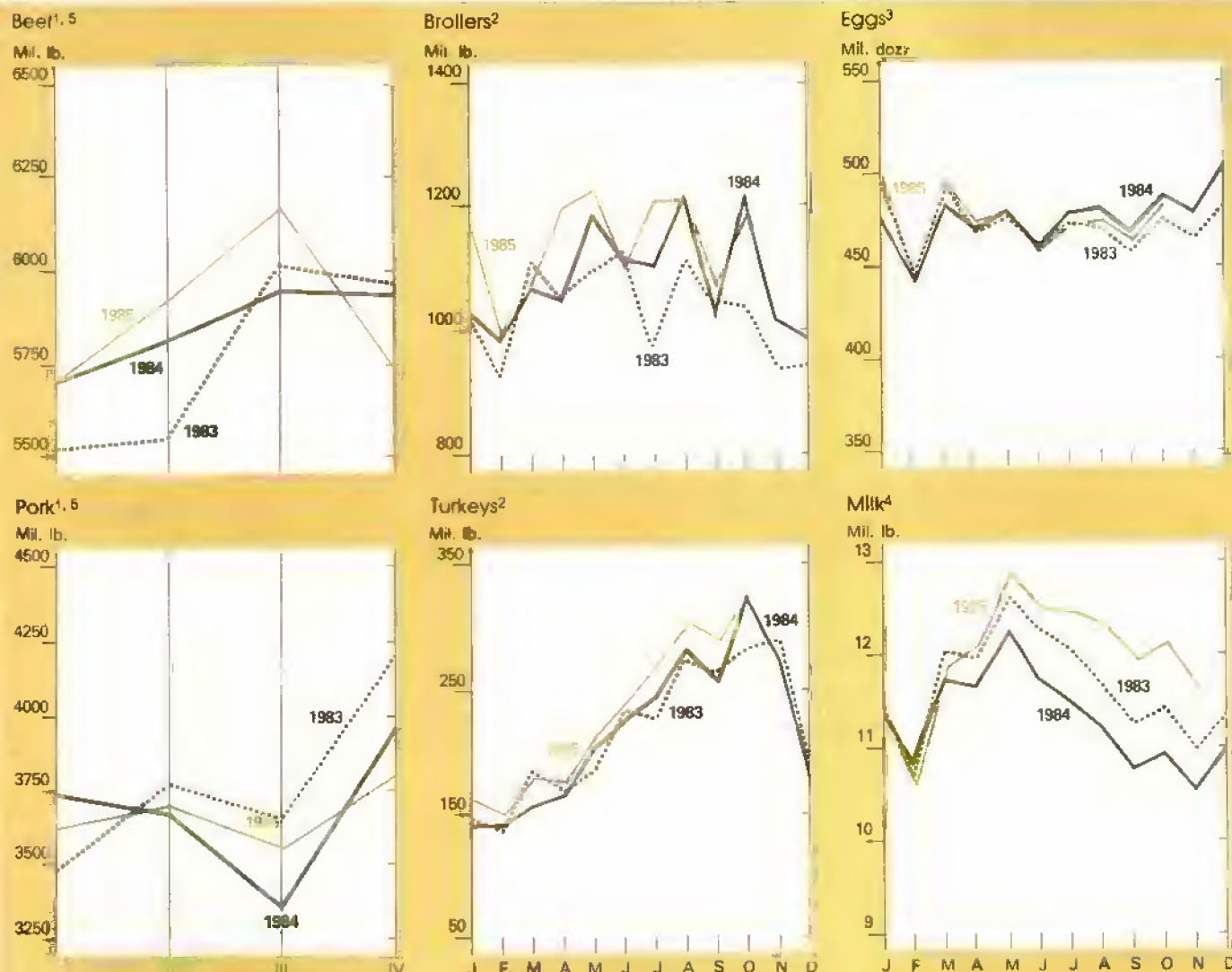
The rate of gilt retention will affect production patterns in 1986. If the breeding inventory grows more than now expected, first-half slaughter will be reduced, but slaughter in late 1986 and in 1987 will increase.

Pork production in 1985 was about the same as in 1984, and may decline 1 percent in 1986. Production in the first quarter may be only slightly below a year ago. Only a modest seasonal rise is expected in the spring, so second-quarter production could drop 1 to 3 percent from 1985. Summer levels are likely to decline 3 to 5 percent from the large 1985 slaughter. Fall-quarter 1986 production may rise 3 to 5 percent from 1985's level, marking the beginning of an expansion likely to carry into 1987.

U.S. imports of pork products are expected to decline about 5 percent in 1986. Pork imports totaled 358,825 metric tons, product weight, during January-October 1985, up 21 percent from a year earlier. The largest increases were from Denmark and Canada. In the last quarter of 1985, imports likely declined to near 1984 levels, because of a reduction in export subsidies by the EC and the weakening of the dollar. For all of 1985, pork imports may total 410,000 metric tons, up 15 percent from 1984.

Live hogs imported from Canada totaled 1.122 million head during January-October 1985, up 5 percent from the comparable period in 1984. But, countervailing duties of Can\$4.386 per cwt drastically slowed exports of live hogs in





<sup>1</sup>Commercial production. <sup>2</sup>Federally inspected slaughter, certified. <sup>3</sup>Farm production. <sup>4</sup>Total production. <sup>5</sup>Forecast for latest quarters.

the fourth quarter. For all of 1985, U.S. imports of live hogs may total 1.2 million head, about 9 percent lower than in 1984. In 1986, the impact of countervailing duties is expected to reduce U.S. live hog imports to about 500,000 head.

Retail pork prices for 1985 likely averaged near 1984's \$1.62 per pound. Reduced total meat supplies and a modest decline in pork supplies, at somewhat more competitive prices relative to beef, may boost pork prices 3 to 5 percent in 1986, about the same as beef. However, prices are likely to remain below the record set in 1982, or even the \$1.70 average in 1983.

Hog prices at the 7 major markets in 1985 averaged the lowest in several years. Prices for barrows and gilts likely averaged nearly \$45 per cwt—\$3 to \$4 below 1983 and 1984. Large total meat supplies, large live hog and pork imports, and lower prices for other meats pressured hog prices down. In 1986, prices may return to the upper \$40's. Higher-than-anticipated rates of gilt retention, particularly early this year, could result in even higher prices. However, total meat supplies remain large and will continue to constrain price advances. [Leland Southard (202) 786-1830]

#### • Sheep and Lambs

The sheep and lamb inventory likely declined only a small amount in 1985. Improved forage conditions and near-record lamb prices for most of the year probably stabilized the inventory. As with the other red meat sectors, liquidation of breeding animals is over, but the rate of ewe lamb retention remains low. Production in early 1986 may be supported by a high lambing rate, because of favorable weather last spring.

Lamb and mutton production for 1985 likely totaled about 350 million pounds, down 6 percent from 1984, despite a 3- to 4-percent gain in slaughter weights.

Production in 1986 could drop again because of a smaller inventory and favorable 1985 returns that will encourage the retention of more ewe lambs for breeding. Production in 1986 may fall 8 to 10 percent, even with weights near 1985's higher levels.

Strong competition for a smaller supply of slaughter lamb resulted in Choice lambs at San Angelo averaging near \$70 per cwt for 1985—\$8 above 1984. Further reduction in lamb supplies in 1986, as more ewe lambs are retained, could push average prices up to the low \$70's. [Leland Southard (202) 786-1830]

#### • Broilers

With costs of production stable and output of red meat down, broiler producers are expected to increase output in 1986. Even with the higher production, though, broiler prices are forecast to remain stable in 1986 because of smaller supplies of competing meats.

Production of broiler meat in federally inspected plants during the first three quarters of 1985 was 5 percent above 1984's 9.8 billion pounds. The number of birds slaughtered was up 4 percent and the average weight was up 1 percent. Based on the chicks hatched for fourth-quarter 1985 slaughter, production then may have risen 4 percent from 1984's last quarter.

Cumulative pullet chick placements 7 to 14 months before any given period are used to forecast the size of the broiler hatchery flock in that period. For early 1986, cumulative pullet placements will be up only 2 percent from 1985. Producers may keep their hatchery supply hens a few days longer, resulting in a larger increase in the supply of eggs for hatching. For all of 1986, broiler production is expected to increase 4 percent from 1985's 13.6 billion pounds. But, early 1986 is not expected to see much of an increase because of only small growth in the hatchery supply flock and the continuing tight supply of grow-out houses.

With increased supplies in 1985, wholesale prices of broilers in the 12 cities likely averaged near a year earlier—50 cents per pound.

Average prices for broilers in the 12 cities during 1986 are expected to remain around 50 cents. The demand for further-processed items is expected to stay strong and help strengthen whole-bird prices. [Allen Baker (202) 786-1830]

#### • Turkeys

Turkey production was up in 1985 and is expected to be up again in 1986. Prices for turkeys were strong in third- and fourth-quarter 1985. Prices in 1986 may weaken.

Output of turkey meat from federally inspected plants during January-September 1985 totaled 1,968 million pounds, up 9 percent from 1984. The number of turkeys slaughtered was up 7 percent and the average live weight was up 2 percent. Based on poults placed that could be slaughtered in the fourth quarter, output in the fourth quarter was likely 10 percent above 1984's 775 million pounds.

The favorable returns in second-half 1985 encouraged producers to place more birds for 1986 slaughter than a year earlier. Output of turkey meat in first-half 1986 is expected to increase 9 to 11 percent from 1985, and production in the second half may be up 4 to 6 percent.

Stocks of frozen turkey at the beginning of 1985 were very low, but they have since been rebuilt. In 1985, production was larger and stocks higher, so prices will likely be lower into early 1986.

Turkeys in the Eastern region averaged 67 cents per pound, the same as in 1984. Last fall, retailers got into the market earlier than in 1984 to build their stocks, so third-quarter prices of 8- to 16-pound commodity-packed hen turkeys in the Eastern region were 6 cents above 1984's 72 cents per pound. In spite of increased production, prices of young hen turkeys in fourth-quarter 1985 remained strong and likely averaged 90 to 91 cents, near 1984's 91.

If stocks of frozen turkeys are up at the start of 1986, prices of young hens in first-half 1986 may average 59 to 63 cents, down from 67 in first-half 1985. In the second half, prices may average 62 to 67, off from the likely 84 to 85 cents of second-half 1985. [Allen Baker (202) 786-1830]

#### • Eggs

Weak egg prices put producers in a cost-price squeeze during much of 1985. With cuts in production expected in 1986, prices may strengthen.

Egg production in the first three quarters of 1985 was 8.5 million dozen above 1984's 4,235.5 million. The pullets added in response to high egg prices in the first quarter of 1984 were still in the flocks and helped boost output in early 1985. Later in the year, producers cut orders for replacement pullets and sold their least productive hens. Still, egg production fell little, mainly because the rate of lay stayed very high.

Prices improved by fourth-quarter 1985. Egg production during the fourth quarter likely fell 1 percent from 1984, mainly because the older hens retained had a lower rate of lay than in 1984.

With replacement pullets down, egg production in first-half 1986 may be off 1 percent from 1985's 2,836 million dozen. Production during second-half 1986 may also trail 1985 by about 1 percent.

Prices for cartoned Grade A large eggs in New York were below 1984's level through the first three quarters of 1985, mainly because of increased supplies. Exports of egg products have been up, but world prices are weak. Domestic prices strengthened in fourth-quarter 1985 and may average 75 to 76 cents per dozen, up from 67 cents in 1984. If producers cut output in 1986 as expected, prices may average 68 to 72 cents per dozen, up from 66 to 67 in 1985. [Allen Baker (202) 786-1830]

#### • Dairy

Milk production for 1986 is forecast to reach a record 148 billion pounds, up 3.3 percent from 1985, assuming there is no change in the dairy price support program, no diversion or buy-out program, and a support price of \$11.60 per cwt for the whole year. However, dairy provisions in the pending farm bill could alter this outlook. Commercial use is also forecast to be up, likely reaching nearly 132 billion pounds, but rising less than the increase in supply. Thus, OCC purchases (net removals) of the excess could increase to more than 16 billion pounds milk equivalent (fat basis)—nearly reaching 1983's record 16.8 billion.



Milk production gains that began last winter continued through the end of 1985. In September, production was 11 percent above a year earlier, followed by 10-percent rises in October and November. These record levels resulted from 6 to 8 percent more milk per cow and 3 percent more cows. The higher yield came from the much improved milk-feed price relationship and the absence of a paid diversion program.

The milk-feed price ratio is expected to remain conducive to heavy concentrate feeding at least through late summer 1986. The average price paid by farmers for 16-percent protein dairy feed has declined since January 1984. The feeding rate for grain and other concentrates on October 1, 1985, averaged 15.9 pounds per cow, up 5 percent from a year earlier.

Federally inspected cow slaughter through November 23, 1985 (47 weeks) totaled 6.3 million head, a 14.9-percent decline from the same period in 1984. Dairy cow slaughter was 2.5 million head, down 14.7 percent, while beef cow slaughter was 3.8 million, down 15 percent.

Some milk producers are under financial stress. As of January 1, 1985, 21 percent of dairy farms were highly leveraged (40-70 percent debt/asset ratio) and 11 percent were very highly leveraged or technically insolvent (a ratio greater than 70 percent).

Financial pressures are not likely to be translated into less milk very quickly, though, mainly because of the lack of attractive farm and nonfarm alternatives for producers. While the nonfarm economy has been generating new jobs fairly vigorously, they are not the Northern manufacturing jobs that have typically attracted exiting dairy farmers.

With low feed prices, the number of milk cows on farms has increased since the end of the diversion program. However, additional gains in the herd are expected to be limited by cash flow problems, lower milk prices, and some tightness in the heifer supply. For 1985, the average number of cows was probably 1.6 percent above 1984.

Milk production per cow in 1985 likely was 13,000 pounds, 4 percent above 1984 and 3.3 percent above 1983. Total milk production for the year is estimated at a record 143.2 billion pounds, 5.8 percent greater than in 1984. Calendar 1986's production is projected to be 2 to 5 percent larger than 1985. Better management, new technology, and genetic advancement will add upward pressure on yields, but little change in the size of the average cow herd seems likely.

In 1986, the all-milk price may be \$12.15 to \$12.65 per cwt, 10 to 60 cents lower than 1985. For 1985, the all-milk price likely averaged \$12.75 per cwt, 70 cents lower than 1984. The effective price for 1985, \$12.63 per cwt, was 32 cents lower than 1984.

Retail dairy prices probably will be stable or decline in 1986 if support prices remain the same. Wholesale-to-retail margins may be whittled down and wholesale prices are unlikely to budge from support levels. For all of 1986, an unchanged support price would likely leave retail dairy prices steady to down slightly, following this year's 2-percent increase. [Clifford Carman and James Miller (202) 786-1830]

## CROP HIGHLIGHTS

• *Wheat*  
This year's world wheat outlook features continued large supplies, reduced use, fewer imports, and unusual uncertainty in the marketplace.

World wheat area in 1985/86, at 230 million hectares, is down slightly from last year. However, yields in 1985/86 are expected to be second only to last year's record. Consequently, estimated production of 505 million tons is down only 2 percent from 1984/85's record outturn.

Area devoted to wheat in major U.S. competitors declined in 1985. This reflected a difficult planting season in some cases, continued switching to other crops, and possibly reactions to the effects of 2 years of declining world wheat prices. With lower yields, total production among the four major competitors dropped over 12 million tons. However, most competitor countries have sizable stocks to draw on, minimizing the effects of the smaller crops.

World wheat import demand in 1985/86, projected at around 90 million tons, will be the smallest since 1979/80. Thanks to improved domestic harvests, many of the world's wheat users will need to import less in 1985/86.

World stocks are projected to climb to a record 125 million tons at the end of 1985/86, marking the fifth straight year of increase. The United States is expected to hold over a third of the stocks, with major export competitors accounting for another fifth.

In the United States, nearly 65 million acres of wheat were harvested in summer and fall 1985. The 2.4-billion-bushel crop was down about 175 million from 1984 and almost identical to 1983. The harvested yield of 37.4 bushels per acre was the third highest on record, about 2 bushels per acre below the previous 2 years.

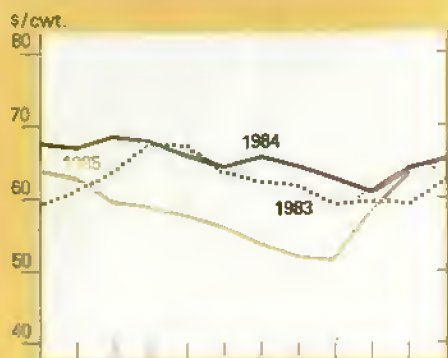
Although total U.S. supplies for 1985/86, 3.852 billion bushels, are the lowest since 1981/82, ending stocks next May 31 are projected at a record 1.742 billion bushels. These record stocks will be brought on by a slight decline in domestic use and a 30-percent drop in exports from the previous year.

Domestic food use (estimated at 660 million bushels) continues to increase at about 2 percent per year, and wheat used for seed averages about 100 million bushels per year. The major factor affecting domestic use is wheat utilized for feed. Wheat feeding during the last 3 marketing years averaged 379 million bushels per year—three times greater than in the 1970's and early 1980's. Wheat prices fell during the past 3 years and were relatively more favorable than feed grain prices. However, because of 1985's record feed grain crops, wheat's price advantage has eroded considerably, and feeding for 1985/86 is projected at 350 million bushels, 15 percent below the previous year.

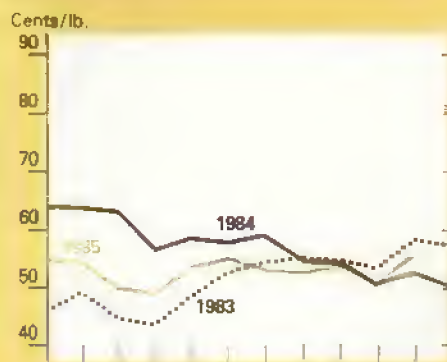
Wheat prices for 1985/86 should average between \$3.00 and \$3.20 per bushel, the lowest since 1978/79. However, since September, market prices have risen over 30 cents per bushel, reflecting some seasonal adjustment and tight free stocks.

# Commodity Market Prices: Monthly Update

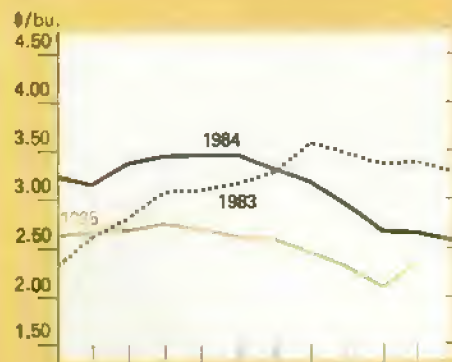
Choice steers<sup>1</sup>



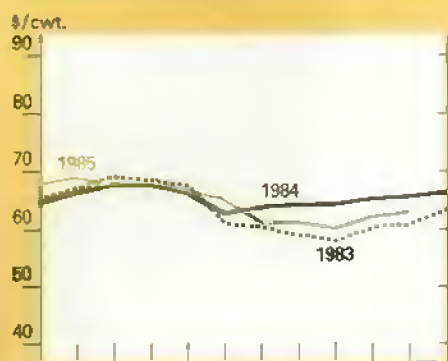
Broilers<sup>4</sup>



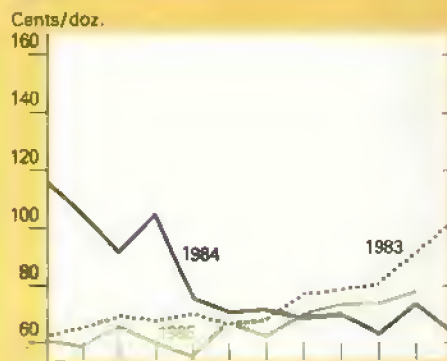
Corn<sup>6</sup>



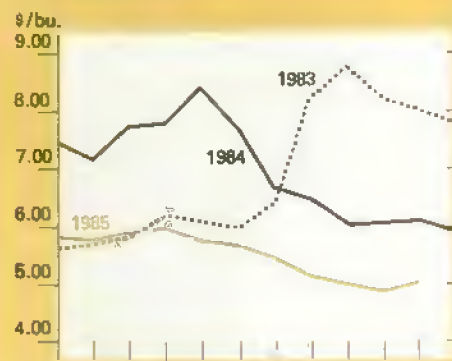
Choice feeder cattle<sup>2</sup>



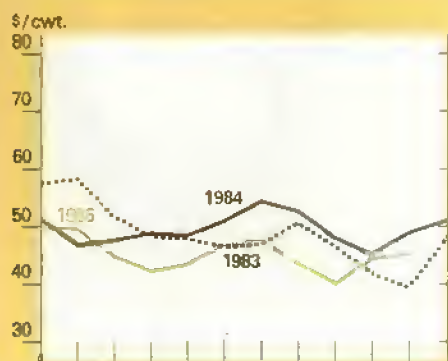
Eggs<sup>5</sup>



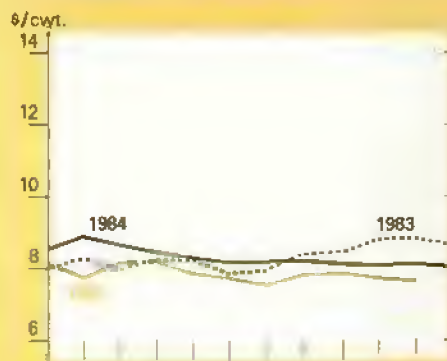
Soybeans<sup>7</sup>



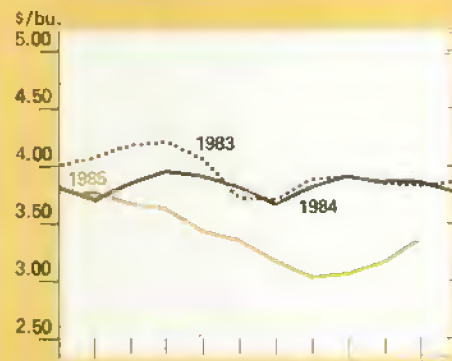
Barrows and gilts<sup>3</sup>



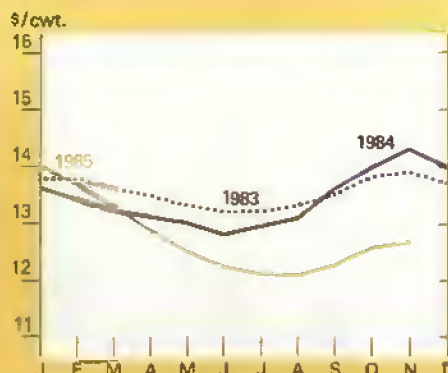
Rice (rough)



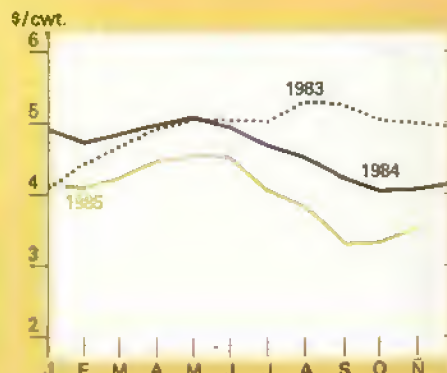
Wheat<sup>8</sup>



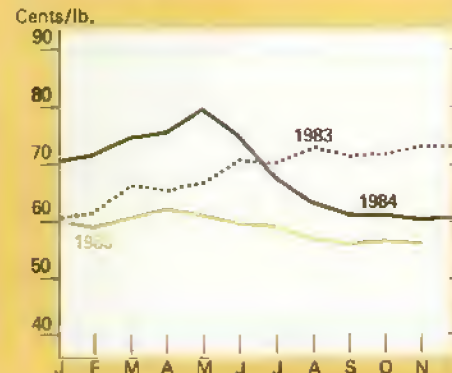
All milk



Sorghum grain



Cotton<sup>9</sup>



<sup>1</sup> Omaha. <sup>2</sup> 600-700 lbs., Kansas City. <sup>3</sup> 7 markets

<sup>4</sup> Wholesale, New York. <sup>5</sup> Grade A Large, New York.

<sup>6</sup> No. 2 Yellow, Chicago. <sup>7</sup> No. 1 Yellow, Chicago.

<sup>8</sup> No. 1 HRW, Kansas City.

<sup>9</sup> Average spot market, SLM 1-16."



U.S. producers planted winter wheat this fall without firm knowledge of the 1986 farm program. In most areas, fall seeding occurred under ideal moisture conditions. Fall grazing in the Southwest will likely be the best in several years. These conditions point to high yields for the 1986 crop. Winter seedings may be above last year. Apparently, in much of the Hard Red Winter areas, only part of the seeded acreage is being fertilized, in anticipation of some type of acreage reduction program for the 1986 crop.

Abundant moisture conditions prevail in the spring wheat areas. However, plantings will depend heavily on the 1986 program provisions. Therefore, the early outlook for the 1986 crop would suggest the potential for record yields with production limited by the 1986 program. [Frank Gomme (202) 447-6460 and Bruce Weber (202) 447-4146]

#### • Rice

Three consecutive bumper world harvests have resulted in record supplies of rice. Many traditionally important rice-importing countries have neared self-sufficiency in rice production, sharply reducing import demand. Other former importers have even become net exporters, further adding to oversupply. Still other importing countries have been forced to limit imports because of continuing economic difficulties. As a result, world rice trade is estimated to fall to only 11.2 and 11.4 million tons in calendar 1985 and 1986, the lowest since 1978.

The combination of larger supplies and reduced demand is forcing world rice prices to their lowest levels, in real terms, since the mid-1960's. However, the U.S. loan rate is preventing U.S. prices from matching world prices, and U.S. rice has become increasingly less competitive on the world market. U.S. exports are expected to continue their steady decline from the peak of 3.03 million tons in 1980/81 and drop to only 1.85 million tons in 1985/86.

U.S. 1985/86 ending stocks are forecast to rise to 81 million cwt, 69 percent of use. However, CCC inventory is expected to account for 65 million cwt, so free stocks will actually fall from 20 million cwt at the end of 1984/85 to 16 million at the end of the current season.

Because U.S. rice prices are as much as double some foreign prices, allowing lower loan rates during 1986/87 could have a major impact on U.S. exports. During 1985/86, U.S. exports are expected to total just 0.6 percent of foreign consumption, compared with the previous 10-year average of 0.9 percent. If the United States can regain its traditional share of foreign consumption in the years ahead, exports could rise to about 80 million cwt. However, the recent rise in production in traditional rice importing nations such as India and Indonesia will make this difficult.

[Frank Gomme (202) 447-6460 and Terry Townsend (202) 786-3313]

#### • Oilseeds

U.S. soybean production exceeded 2 billion bushels in 1985. Surprisingly, this bumper crop was grown on only 63.2 million planted acres, thanks to above-average yields. Demand is unlikely to match production, however. Consequently, USDA is forecasting a record carryover in 1985/86 of 615 million bushels, and a near-record stocks-to-use ratio of .34. Season-average prices could be as low as \$5.15 a bushel.

USDA projects U.S. soybean exports to reach 675 million bushels in 1985/86, 13 percent above last year, and soybean meal exports are forecast at 5.5 million tons, up 12 percent. Although exports in 1985/86 are rising, they are well below levels in the early 1980's. Traditional soybean meal markets may be saturated. Furthermore, the fact that U.S. gains are coming at the expense of South America suggests a keenly competitive market where demand is growing slowly, if at all.

World oilseed production, minus China and the United States, is expected to approach 100 million metric tons in 1985/86, up from about 80 million as recently as 1979/80. Of particular interest is the increase in sunflowerseed and rapeseed. European production of these two oilseeds has more than doubled since 1980/81. While soybeans require a temperate climate, sunflowers and rapeseed are successful at higher latitudes. The potential for greater production of oilseeds in the cooler climates of Europe, the Soviet Union, and Argentina will provide further competition for soybeans in general and U.S. soybeans in particular.

The real growth potential for U.S. soybeans is in the developing countries, particularly Latin American and the ASEAN nations (Indonesia, Singapore, Thailand, the Philippines, and Malaysia). However, in the last 2 years, consumption has stagnated in these countries as well. The debt burden in South America, falling petroleum prices in the Middle East, and slow worldwide recovery from recession are limiting economic growth and high-protein meal consumption.

The crush-for-oil situation that persisted for the last 2 years is over. U.S. soybean oil prices averaged 29.5 cents a pound in 1984/85, but will probably average between 20 to 24 cents in 1985/86. U.S. exports could slip below 1.5 billion pounds, the fourth straight year of decline. [Roger Hoskin (202) 786-1840]

#### • Cotton

U.S. cotton prices in Northern Europe averaged 40 percent above foreign prices. As a result, U.S. exports may fall from 6.2 million bales in 1984/85 to 3.1 million in 1985/86. Domestic mill use will be stronger this season than last because of an increase in cotton's market share. However, the improvement may be short-lived; retail sales are flat and textile imports have begun to grow again.

Total use is forecast at little more than 9 million bales this season, well below production of almost 14 million. Consequently, 1985/86 ending stocks are expected to rise to about 9 million bales. The resulting ratio of ending stocks to use (0.98) would be the worst since 1965/66. In the past, when the ratio exceeded 0.5, farm prices were supported by the loan rate.

Foreign production in 1985/86 is forecast at 67 million bales, compared with 74 million last season. A favorable development for U.S. exports is that 1985/86 production will likely decline in almost every Western Hemisphere country except the United States. However, production in Europe, Africa, and the Soviet Union is forecast to be up this season by a combined 1.3 million bales—almost equal to the decline in the Western Hemisphere.

Foreign cotton consumption will rise to about 66 million bales in 1985/86, a record. Improved prospects are reported in the major exporting countries, while use in net raw-cotton importers as a group will fall about 150,000 bales.

World trade in 1985/86 is projected at 19 million bales, down about 1 million. China, the Soviet Union, and Pakistan are expecting gains. Chinese exports are forecast at a record 1.5 million bales.

Supply and use during 1986/87 will depend greatly on provisions in the 1986 cotton program. If U.S. prices fall sufficiently to bring the ratio of the A index over U.S. prices in Northern Europe back to the long-term average of 0.98, U.S. exports might rebound during 1986/87 and 1987/88 to 9-10 percent of foreign mill use. That would imply a 3-million-bale rise in U.S. exports.

A drop in cotton prices would force adjustments in the manmade fiber industries, and the weighted average of all fiber prices could decline significantly, leading to an increase in mill use of U.S. fiber. A drop in cotton prices relative to prices of polyester staple could lead to a further rise in cotton's share of mill use. Cotton's mill-use share in 1984 was 24.8 percent of the 10.8 billion pounds of fiber used. A drop in cotton prices could boost mill use 200,000 to 400,000 bales. That means total disappearance might rebound to 12-13 million bales by 1987/88.

If the target price remains at 81 cents in 1986/87, and loan rates and market prices fall, 1986 program participation could approach 95 percent. The 1985 program attracted 83 percent of the base acreage.

With beginning stocks of about 9 million bales in 1986/87, and 15-16 million acres of cotton base, acreage reduction programs will still be necessary. However, improvement in use would make a reduction in stocks possible during 1986/87. Assuming average weather, a stocks-to-use ratio below 0.50 might occur within three seasons. If production of about 10 million bales is desired in 1986, a combination of acreage reduction and cash land diversion programs totaling about 40 percent of area will be needed. [Terry Townsend (202) 786-3313]

#### • Feed Grains

The feed grain outlook for 1985/86 is one of record U.S. output, diminished Soviet demand, and large competing supplies in world trade. Prices are depressed, and the 1985/86 U.S. carryout is expected to top the 1982/83 pre-PIK record.

Global coarse grain production is expected to reach 845 million tons in 1985/86, 4.5 percent over last season's record. In the U.S., record crops of corn, sorghum, and barley are pushing total feed grain supplies over 321 million tons, of which 271 million is 1985 production. The 8.7-billion-bushel corn crop, added to carryin of 1.4 billion, gives a total corn supply of 10.1 billion bushels for 1985/86.

This abundance has strained available storage. Corn alone may tie up about half of the estimated 20 billion bushels of grain storage capacity available nationwide.

Global use of coarse grains will reach almost 800 million tons in 1985/86, nearly double the 1960 level and 150 million tons greater than use 10 years ago. Foreign feed use of coarse grains is expected to grow about 1 percent this year.

The large Soviet grain harvest, combined with record USSR forage output, will dampen 1985/86 increases in Soviet feed use. However, the decline is likely to be in wheat; coarse grain feeding is forecast at just below 1984/85's record 80 million tons. Soviet animal inventories on November 2 showed reduced cattle and hog numbers but continued increases in poultry.

Feed and residual corn disappearance for 1985/86 is projected to be around 4.3 billion bushels, a 5-percent increase over 1984/85. Over 13 million tons of sorghum were fed in 1984/85, more than any year since 1978/79, and feed use is projected to rise slightly this season.

Food, seed, and industrial (FSI) use continues to mount, with a 1.5-million-ton rise expected for 1985/86. FSI use of corn has been expanding steadily, largely because of increased production of high fructose corn syrup and alcohol.

World coarse grain trade (excluding intra-EC trade) in 1985/86 is expected to decline 7 percent from last year. For the first time in 11 years, U.S. exports could fall below 50 million tons, accounting for only 52 percent of world trade.

The farm price of corn fell steadily from last April until October, when it was \$2.12 a bushel. In October 1982, when conditions were similar, the farm price was \$1.98, remaining well below the loan rate until the PIK program was announced. However, only 29 percent of the corn base was enrolled in the program that year. In 1985/86, with 71 percent enrollment, 5 to 6 billion bushels may be eligible for CCC loans and eventual forfeiture to the Government.

Thus, the potential for free supply to tighten up is fairly substantial, even in the face of a record corn crop and near-record ending stocks. Recently, prices have strengthened. If loan placements are as heavy as expected, corn prices may show strength in the spring of 1986. Free stocks carryout outside of Government-held and loan program inventories is projected to be extremely tight—only 77 million bushels. [David Hull (202) 786-1840 and Eileen Manfredi (202) 447-8912]

#### • Tobacco

The U.S. tobacco outlook for 1985/86 is highlighted by large supplies of leaf and reduced demand for tobacco products. Both domestic use and exports are expected to decline slightly in 1985/86. U.S. production in 1985 was down about 12 percent from 1984. The smaller production more than offset higher carryin stocks; supplies of 5.3 billion pounds are 2 percent lower than in 1984/85.

The size of the 1986 crop will depend in part on USDA's decision on quotas. Under current law, quota decisions for the 1986 crop have to be made by December 31 for flue-cured and February 1 for burley and other kinds. Basic quota for flue-cured may be reduced and basic burley quota may remain the same.

However, effective quotas are likely to drop below 1985 for both kinds, because quota carryover is lower than last year. The drops in effective quotas point to a smaller crop next summer. As in 1985, prices are likely to be lower than in the recent past, so the drop in production would reduce the total value of the crop.

U.S. cigarette output likely fell to 662 billion pieces in 1985, about 6 billion below 1984 and 75 billion below the record in 1981. Cigarette consumption



## COMMODITY SPOTLIGHT

### *The Tobacco Program— Past and Future*

Since the 1930's, most U.S. tobacco production has been under a price support and supply control program. The program limits production, sets minimum grower prices, and provides for acquisition, storage, and eventual sale of surplus tobacco.

The current program is part of continuing legislation under the Agricultural Adjustment Act of 1938. Additional legislation signed in July 1982 set up the No-Net-Cost Tobacco Program. It requires producers to contribute to a fund or account covering the operating costs of the loan program if they want to be eligible for price support (the Government still pays administrative expenses). This legislation also gives the Secretary of Agriculture some flexibility in setting support levels.

The U.S. share of world tobacco trade fell from 30 percent during 1960-64 to 18 percent in 1982, part of the reason for the new legislation in the early eighties. Rising price supports kept U.S. prices above world prices—in many cases, more than 100 percent above. Legislation signed in 1983 froze the 1983-85 support prices for most tobacco types at the 1982 level. More changes in the program are clearly needed, though, because the United States is still becoming less and less competitive in the world tobacco market.

World production of tobacco rose 70 percent between 1960-64 and 1982, while U.S. production fell 10 percent. U.S. flue-cured production was 25 percent lower by 1982, although burley produc-

tion was 30 percent higher.<sup>1</sup> The U.S. share of world production fell from four-fifths in the early sixties to one-half in 1982. In foreign countries, much of the incentive to increase production came from high U.S. support prices and limits on U.S. output.

U.S. marketing quotas (that is, the tobacco poundage individual farmers are allowed to sell each season) declined between 1975 and 1982. Reasons were reduced tobacco use per cigarette, lower flue-cured exports, and dramatic increases in imports of burley and flue-cured. The basic flue-cured quota dropped 32 percent. Burley quotas changed little, however, because of increased exports and a slower decline in domestic use.

For about 15 years, U.S. cigarette manufacturers have been increasing the share of imported tobacco in cigarettes. Flue-cured imports accounted for less than 1 percent of tobacco in U.S. cigarettes in 1969 but rose to 18 percent by 1982. For burley, the increase was from 1 to 21 percent. Causes include the lower price of imports, larger supplies of foreign-grown tobacco, new technologies that permit use of lower quality tobacco in cigarettes, and shortages of U.S. tobacco (especially burley) due to disease and drought in some years.

Despite the legislative changes in 1982 and 1983, serious problems still exist for the U.S. tobacco industry. Imports continue to rise. From 1982 to 1985, the

<sup>1</sup>Flue-cured is grown predominately in the Carolinas, Virginia, and Georgia. Burley is produced mainly in Kentucky and Tennessee. Both types are used in cigarettes, and together they represent about 90 percent of total U.S. production.

flue-cured quota dropped 24 percent and the burley quota fell 23 percent. Combined flue-cured and burley loan stocks were 160 percent higher at the beginning of 1985/86 than 3 years earlier. Even with several years of frozen U.S. support prices, exports are still being undercut by ample foreign supplies at lower prices.

Additional legislation has been proposed to deal with these problems. It would reduce price supports initially by 30 cents a pound. In future years, the support level would be based on the 5-year moving average of market prices (two-thirds weight) and the change in a cost-of-production index (one-third weight). Flue-cured and burley quotas would be based on (1) intended purchases by cigarette manufacturers, (2) average annual exports for the 3 preceding years, and (3) the amount of tobacco needed to attain specified reserve stock levels.

The amount of flue-cured and burley tobacco that could be marketed without penalty would be reduced from 110 to 103 percent of the farm marketing quota. Manufacturers would purchase current burley loan stocks over 6 years and flue-cured stocks over 8 years. Much of the tobacco would be purchased at a discount. Buyers and growers would share in the contribution to the no-net-cost assessments.

If a tobacco bill like that now before Congress is signed into law, it will result in lower U.S. prices. Imports will likely decline and exports rise. Returns to growers will be lower, but assessment charges will be reduced because quotas will be more closely linked to market conditions and the costs will be shared by manufacturers. [Verner Grise (202) 786-1840]

may have fallen about 1 percent, after remaining stable in 1984. U.S. consumption per person 18 years and older may have dropped by 77 cigarettes, to 3,384. This would be the lowest since 1944.

Despite an increase in the smoking-age population, total consumption of cigarettes may decline a little again in 1986, and per capita consumption is also expected to slip. Tax increases that

raised cigarette prices significantly the last 3 years are a primary reason. The Federal excise tax was increased from 8 to 16 cents a pack on January 1, 1983, the first increase since 1951. The tax was scheduled to return to 8 cents on October 1, 1985, but the 16-cent rate is expected to become permanent.

In 1983 and 1984, 18 States raised excise taxes about 4 cents a pack. Another 12 States raised taxes an average of 6 cents in 1985. State tax levies now vary from 2 cents a pack in North Carolina to 28 in Maine. The combined city and

State tax is 29 cents a pack in New York City and 43 cents in Chicago. Further State tax increases will occur in 1986.

Antismoking activity, including legislation, continues to affect the industry. More than four-fifths of the States now have laws that either prohibit smoking in certain places or segregate smokers. Ten States regulate smoking in the workplace. Also, a large number of towns and cities have some smoking restrictions. The U.S. Department of

Health and Human Services and voluntary health agencies are continuing efforts to discourage smoking. Furthermore, a number of product-liability suits are pending against cigarette manufacturers. The cumulative effect of publicity and ordinances against smoking is uncertain, although it almost surely accounts for some of the downward trend in per capita consumption.

For a look at proposed changes in tobacco legislation, see the Commodity Spotlight. [Verner Grise (202) 786-1840]

#### • Fruit

**The 1985/86 forecast of U.S. citrus production (excluding grapefruit in California's "other areas") is 11.3 million tons, 10 percent above last year, but still 31 percent below the record 1979/80 crop. The increase is due primarily to a 27-percent gain in Florida orange production.**

**Oranges.**—U.S. production for 1985/86 is forecast at 184 million boxes, 16 percent above last season's freeze-damaged crop. Although opening f.o.b. prices for both California and Florida fresh oranges are moderately lower than a year ago, rising processor demand will probably keep Florida prices higher than average. Reduced competition from smaller apple and winter pear crops will help California navel orange prices.

Barring a repeat of last season's freeze, the larger crop and higher juice yield should result in a sharply increased output of frozen concentrated orange juice (FCOJ) in 1985/86. FCOJ imports are expected to remain relatively large during the season. Also, more Florida oranges will likely be used for processing because more California navel oranges will be available for the fresh market. The total 1985/86 supply is still expected to be moderately above last year.

**Grapefruit.**—The 1985/86 grapefruit crop, excluding California's "other areas," is forecast at 51.2 million boxes, down 1 percent from last season.

Shipments of fresh grapefruit are running well ahead of last season's pace. Demand for fresh Florida grapefruit is expected to rise because of small supplies of Texas grapefruit. Smaller stocks of most processed grapefruit products will keep processor demand strong and hold prices firm throughout the season.

**Apples.**—The final 1985 crop forecast was 8.11 billion pounds, down 2 percent from 1984. With a smaller crop in Washington and stable demand, prices for fresh apples are expected to stay firm through winter 1986. Processor demand will be weaker than last year, with lower prices, while demand for juice apples is expected to rise.

**Grapes.**—Last year's grape crop likely totaled 5.41 million tons, 5 percent above 1984. Supplies of table grapes for the fresh market are heavy, and prices sluggish, because of the weak market for competing uses of multipurpose varieties. By late November 1985, f.o.b. prices for Emperors were quoted at \$6.50 a 23-pound lug in California's central San Joaquin Valley, compared with \$9.00 a year ago. On the other hand, despite heavy supplies, the field price for natural seedless raisins was \$810 per ton, up \$110 from a year ago, but still relatively low. With continued promotional efforts, raisin shipments may improve further.

**Pears.**—Production in 1985 likely reached 674,600 tons, 5 percent below 1984. A reduced Bartlett crop and smaller canned carryover stocks have strengthened prices of Bartletts for canning. The California Pear Growers Association and canners recently reached a field price agreement of \$206 a ton, compared with \$175 last year. The field cash price in the Northwest is \$215 a ton for No. 1 grade Bartletts, up from \$187.50 last year.

**Processed noncitrus.**—Supplies should be adequate to ample in 1985/86. Even though the canned fruit pack is expected to be down for some items, increased carryin stocks will still result in large supplies. However, prices are likely to remain relatively firm. Supplies of dried fruit, particularly raisins and prunes, will be adequate to ample, keeping raisin prices weak. The supply of frozen fruit and berries will be moderately larger, mainly because of bigger stocks of cherries and blueberries.

**Tree nuts.**—Supplies will be adequate to ample during 1985/86. The almond crop will be sharply below last year's record, while walnut and pecan production will be slightly larger. Record production of filberts is expected. Opening prices for almonds were moderately below a year ago. Prices of filberts and pecans are likely to be higher, while walnut prices are expected to be about the same. [Ben Huang (202) 786-1766]

#### • Vegetables

Commercial vegetable production in 1985 likely was between 424 and 434 million cwt. 2 to 4 percent below 1984. The decline resulted from a 3- to 5-percent reduction in dual-purpose and fresh-market vegetables (broccoli, carrots, cauliflower, celery, sweet corn, lettuce, onions, tomatoes, and honeydews) and a 2-percent drop in the four major processing vegetables (green peas, snap beans, sweet corn, and tomatoes).

The reduction in dual-purpose and fresh-market vegetables came from a 4-percent cut in winter acreage and a 7-percent drop in fall acreage. Spring and summer acreage rose only 2 percent.

The 2-percent reduction in processing vegetables was largely due to an 8-percent drop in tomato acreage. The other three processing vegetables together averaged up 7 percent. Snap bean output led the way with a 9-percent increase over 1984.

Greater production of sweet corn, green peas, and snap beans will translate into larger packs and boost 1986 supplies. Lower domestic processing-tomato output will show up as a lower pack and likely reduce 1986 supply. Imports of processed tomatoes will partially offset reductions in domestic supply.

Consumption of fresh and processed vegetables in 1985 likely was between 181 and 187 pounds per person, down from 1984 because of lower domestic production. Imports, however, will probably add to supplies in 1986.

Commercial vegetable producers had lower revenues in 1985. The drop in output, coupled with a 7-10 percent lower average price, reduced cash receipts about 10 percent from 1984. The aver-



age index of prices received by growers for commercial vegetables during the first three quarters of 1985 dropped 11 percent from the same period in 1984.

Total commercial production of potatoes, sweetpotatoes, and pulses in 1985 is estimated at 437 million cwt, 11 percent higher than 1984. Potato production increased 12 percent to a record 400 million cwt. Sweetpotato production, at 13.9 million cwt, was up 7 percent to the highest level in 15 years. Dry edible bean output was 22.3 million cwt, up 6 percent over 1984, though 21 percent below the 1980-81 export-driven average of 28 million cwt.

Increased supplies of potatoes, sweetpotatoes, and pulses have lowered prices and led to higher consumption. Consumption of these items in 1985 likely averaged around 135 pounds per person, 4 percent above 1984. Ample stocks of processed potatoes in 1985 reduced the demand for fall potatoes, and higher processors' stocks shadow hopes for renewed processor demand in 1986. Potato prices in 1985/86 are likely to average 25-30 percent below 1984/85's \$5.69 per cwt.

Despite the record 1985 potato crop, producers' cash receipts dropped 10-16 percent from 1984's \$1.9 billion. The lower receipts will lead to reduced acreage in 1986. With record supplies from last year to move, potato growers continue to be concerned with pressure on domestic markets from Canadian imports, and development of new markets.

[Shannon R. Hamm (202) 786-1767]

#### • Sugar

U.S. sugar production in 1985/86 is forecast at 5.950 million tons, raw value. Both cane and beet sugar output will likely be higher. Beet production may reach 2.950 million tons, as increased acreage and good yields in the East offset lower acreage in the Great Plains and lower yields in California. Cane sugar production is forecast at 3.000 million tons, up about 0.5 percent. Output in Louisiana is expected to increase despite recent hurricane damage.

The nearby futures price for raw sugar in the U.S. market averaged 18.90 cents (c.i.f., New York) in November, 2.6 cents below the market stabilization price.

Sugar deliveries in fiscal 1985/86 are forecast to drop 200,000 tons. Deliveries in 1984/85 were an estimated 7.531 million tons, refined, down 5.6 percent from a year earlier because of lower use in beverages.

Consumption of high fructose corn syrup (HFCS) in 1986 is forecast to climb only 100,000 tons. HFCS use is approaching its technical limits for sugar substitution and faces increased competition from noncaloric sweeteners in its major market, the beverage industry.

U.S. consumption of corn sweeteners in 1985 is estimated at 7.7 million tons, dry basis, up almost a million tons from 1984. Increased consumption of HFCS was responsible for most of the jump. HFCS consumption, 67 percent of total corn sweetener use, was an estimated 5.1 million tons, up 19 percent from the year before. For the first time, U.S. corn sweetener consumption exceeded refined sugar consumption.

World sugar prices (f.o.b. Caribbean, contract No. 11) averaged 5.53 cents a pound in November. This was up 10.4 percent from October and up 25 percent from a year earlier, but still close to historical lows. Prices strengthened late in November because of prospects for much lower production in Cuba; Hurricane Kate, coming on the heels of severe drought, probably reduced the 1985/86 Cuban crop to below 7 million tons, raw value, from 8.2 million in 1984/85.

[David Harvey (202) 786-1769]

#### Upcoming Economic Reports

Title	Summary Released
World Ag Supply & Demand	January 10
Agricultural Resources	February 5
World Ag Supply & Demand	February 10
Vegetable	February 13
World Food Needs & Availabilities: Update	February 14
Agricultural Outlook Exports	February 18
Foreign Ag Trade of the U.S.	February 19
Wheat Yearbook	February 20
Livestock & Poultry	February 21
Fruit	February 24
Feed	February 25

Summaries are released electronically on the dates indicated; the full reports, including tables, may also be accessed 2 to 3 days later. For details, call (301) 982-6662.



## World Agriculture and Trade

### 1986 EXPORT OUTLOOK

U.S. farm product exports in fiscal 1986 are forecast at \$29 billion. This would be 7 percent below fiscal 1985's \$31.2 billion and nearly \$15 billion below the 1981 peak. Export volume is forecast at a little over 120 million tons, down 4 percent from 1985.

Export value will slip because both prices and volume will likely fall. Volume will be cut by continued strong competition from other exporters and large production gains by traditional importers. A second straight year of record world grain and oilseed crops will coincide with a less expansionary global economy and continued export and debt repayment problems in the less developed countries. Also, increased Soviet crop output will dampen U.S. export prospects. On the bright side, a weaker dollar is expected to make U.S. exports more competitive.

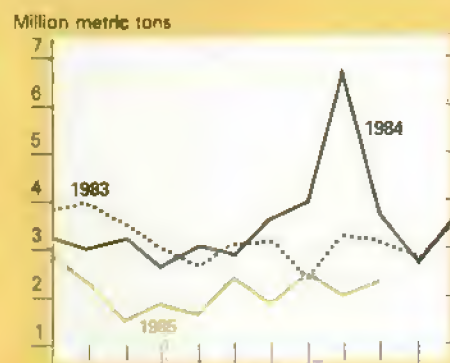
U.S. agricultural imports in 1986 are expected to total \$20 billion. The agricultural trade surplus is forecast to drop \$2.4 billion to \$9 billion.

# U.S. Agricultural Trade Indicators

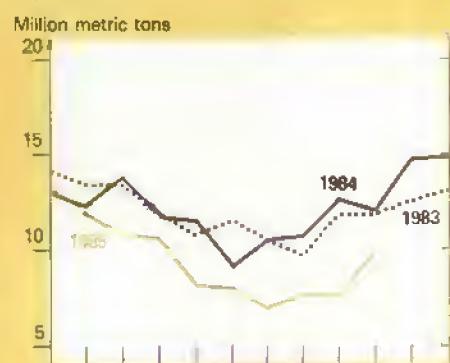
## U.S. agricultural trade balance



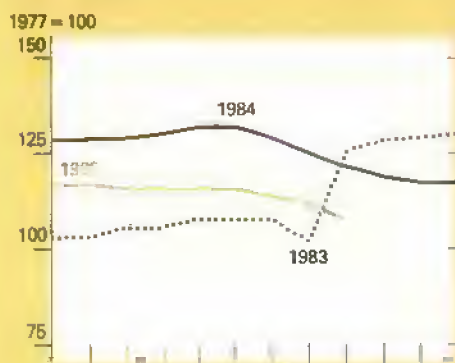
## U.S. wheat exports



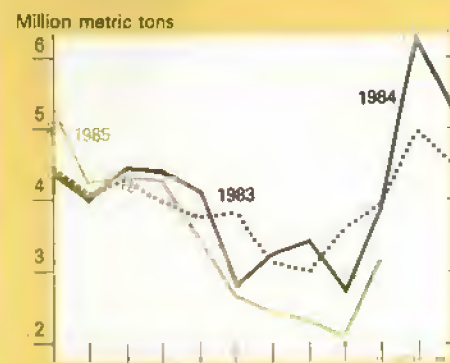
## Export volume



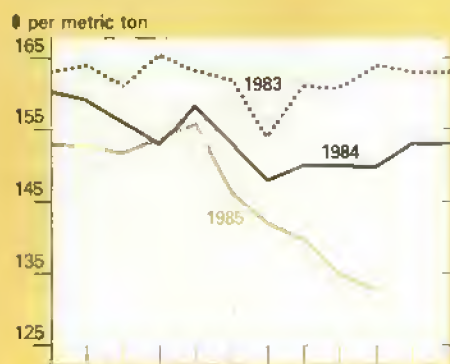
## Export prices



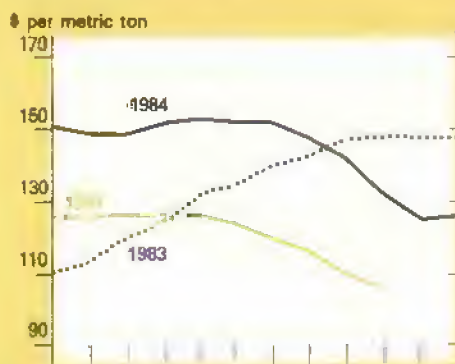
## U.S. corn exports



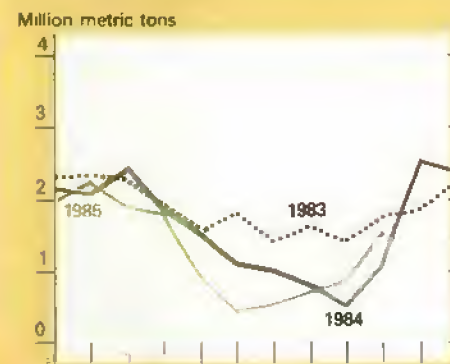
## Wheat export unit value\*



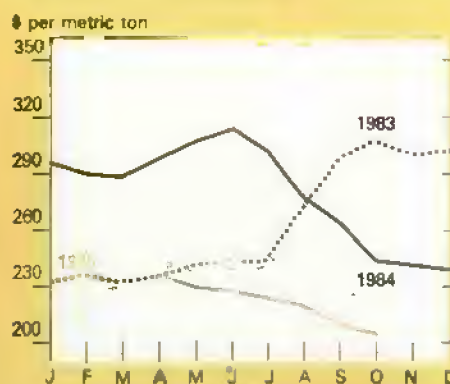
## Corn export unit value\*



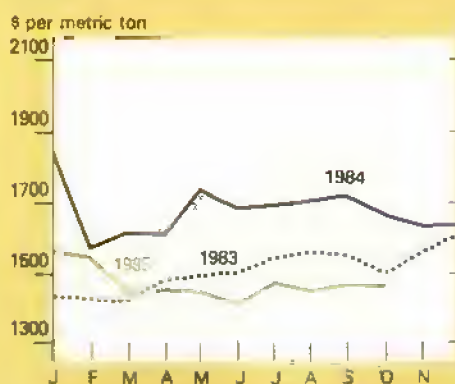
## U.S. soybean exports



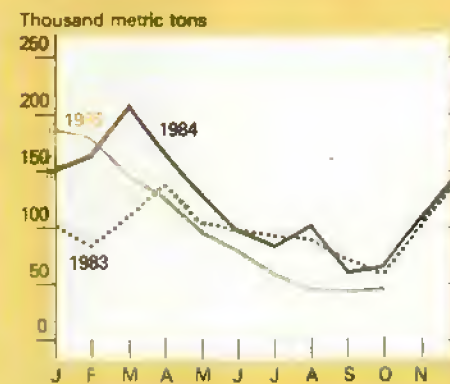
## Soybeans export unit value\*



## Cotton export unit value\*



## U.S. cotton exports

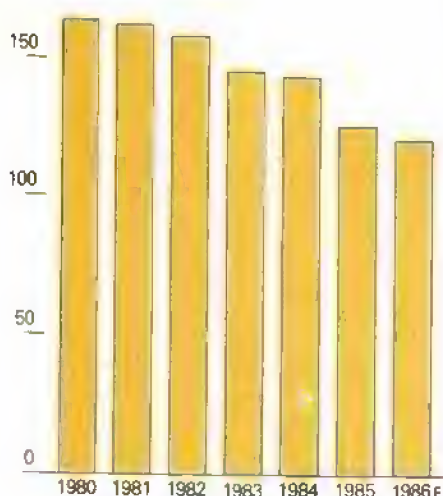


\*Value of U.S. exports divided by volume exported. Data on the wheat, corn, soybean, and cotton exchange rates are now included in the U.S. Agricultural Trade tables at the back of this issue.



## U.S. Agricultural Export Volume Down Again

Mil. metric tons  
200



### Outlook by Commodity

**Wheat and flour.**—These U.S. exports are forecast at \$4.0 billion and 29.7 million tons (wheat equivalent) for fiscal 1986. While export volume is expected to be about the same as last year, a continued slide in world and U.S. export prices will lead to a 10-percent decline in value. This will result in the lowest value for wheat and flour since the \$3.1 billion in 1977. Continued gains in wheat production in several major importing countries and a larger Soviet crop are expected to cause a sharp drop in world import demand in 1986. Although wheat production is down in the major foreign exporting countries, record stocks will result in exportable supplies far exceeding expected import demand. Thus, world wheat will continue to be a buyer's market.

**Coarse grains.**—U.S. exports are forecast at \$5.9 billion, down \$1 billion from 1985. Prices will likely continue to decline, and volume, forecast at a little over 49 million tons, may hit its lowest level since 1975. The sharp reduction in Soviet demand will more than offset an expected increase in exports to some Latin American and Asian countries. In

addition to continued competition from Argentina, Thailand, and China, 1986 will likely see the return of South Africa as a net exporter, following 2 years of net imports.

**Oilseeds and products.**—U.S. exports are expected to be down slightly from 1985's \$6.4 billion. Slow growth in meal demand, expanded oilseed production in a number of major importing countries, and large palm oil supplies are helping to weaken prices. However, the volume of soybean exports is expected to rise; lower Brazilian production and exports will enable the U.S. to recapture some market share.

**Cotton.**—U.S. 1986 exports are forecast to reach only \$1.2 billion and 800,000 metric tons, down dramatically from last year's already depressed levels. Lower priced Chinese and Pakistani cotton is expected to cut U.S. exports to such key markets as Japan and South Korea.

**Livestock, dairy, and poultry.**—U.S. exports will probably remain about the same as last year. Livestock and products are forecast at \$3.3 billion, unchanged from 1985 and 5 percent below 1984. Much of the 1985 decline was in U.S. exports of inedible tallow and pork.

### U.S. Agricultural Exports: Value by Commodity

Commodity	Fiscal 1983	Fiscal 1984	Fiscal 1985	Fiscal 1986 forecast
—Billion dollars—				
Grains and feed	15.194	17.434	13.424	12.0
Wheat & flour	6.169	6.738	4.427	4.0
Rice	.874	.897	.676	.6
Coarse grains <sup>1/</sup>	6.582	8.216	6.867	5.9
Corn	5.717	7.023	5.771	4.9
Oilseeds and products	8.873	8.774	6.366	6.2
Soybeans	5.866	5.734	<sup>2/</sup> 3.872	4.0
Soybean cake and meal	1.449	1.181	.834	.9
Soybean oil	.462	.633	.558	.4
Livestock products	2.995	3.460	3.308	3.3
Poultry & products	.451	.413	.393	.4
Dairy products	.354	.397	.413	.4
Horticultural products	2.689	2.606	2.607	2.7
Tobacco	1.487	1.433	1.588	1.5
Cotton & linters	1.703	2.405	1.967	1.2
Seeds	.325	.320	.343	.3
Sugar & tropical products	.705	.789	.769	.8
Total <sup>3/</sup>	34.776	38.031	31.182	29.0

<sup>1/</sup> Includes corn, grain sorghum, barley, oats, rye, and products. Data on grain sorghum exports to Mexico have been revised to exclude Census Bureau overreporting errors of \$70 million during January through June 1985. <sup>2/</sup> Excludes Census Bureau overreporting errors to Mexico of \$177 million during December 1984 through April 1985. <sup>3/</sup> Totals may not add due to rounding.

# U.S. Agricultural Exports: Volume by Commodity

Commodity	Fiscal 1983	Fiscal 1984	Fiscal 1985	Fiscal 1986 forecast
--Million metric tons--				
Wheat	36.696	41.700	28.524	28.0
Wheat flour	1.529	1.070	.782	1.2
Coarse grains 1/	53.769	55.546	55.231	49.1
Corn	47.105	46.985	46.276	41.3
Feeds, ingred., & fodders	6.991	6.845	6.395	6.4
Rice	2.276	2.293	1.972	1.8
Soybeans	24.522	19.265	2/ 16.620	18.4
Soybean cake & meal	6.449	4.862	4.460	5.0
Soybean oil	.919	.828	.752	.7
Sunflowerseed	1.363	.995	.999	.8
Sunflowerseed oil	.229	.188	.130	.1
Other oilcakes & meals	.239	.198	.149	.1
Beef, pork, & var. meats	.384	.394	.400	.4
Poultry meat	.251	.226	.236	.2
Animal fats	1.431	1.379	1.199	1.2
Tobacco	.245	.227	.257	.2
Cotton & linters	1.209	1.509	1.317	.8
Horticultural prod.	3.041	2.853	2.659	2.8
Other	3.165	3.191	3.652	3.3
Total	144.769	143.569	125.735	120.5

1/ Includes corn, oats, barley, grain sorghum, rye, and products.

Excludes Census Bureau overreporting errors totaling 535,000 tons of grain sorghum exports to Mexico during January through June 1985. 2/ Excludes Census Bureau overreporting errors to Mexico totaling 705,000 tons of soybeans during December 1984 through April 1985.

## Outlook by Region

**Western Europe.**—After 5 consecutive years of declining value, U.S. agricultural exports to Western Europe may stabilize in 1986. A weaker dollar and lower soybean supplies in South America are expected to boost U.S. sales and market share for soybeans and soybean meal, helping offset declining export values for most other commodities. However, cotton sales to the region may decline more than 40 percent.

Western Europe's grain production fell 8 percent in 1985 from the previous year's huge crop. But, production remained high and U.S. coarse grain exports to the region may increase only slightly. Also, despite a decline in Euro-

pean wheat production and quality, high-protein wheat gluten in the EC will probably continue to displace imported U.S. wheat.

**Canada.**—U.S. agricultural exports to Canada this year may reach their lowest value since 1979, because of lower prices and stiffer competition. Greater Canadian horticultural production may also play a role. U.S. fresh and processed fruits are meeting increasing competition from other exporters, and the U.S. share of Canadian cotton imports may fall well below its traditional 90 percent.

Although western Canada's barley crop suffered from bad weather this year, record corn production in eastern Canada is expected to reduce coarse grain imports from the United States. An increase in Canadian soybean crush will probably cut imports of U.S. soybean meal and oil, but could boost soybean shipments to Canada despite a record soybean harvest there.

**Japan.**—U.S. agricultural exports to Japan are expected to decline slightly in value in 1986. Lower prices for grains and oilseeds and lower cotton sales will probably offset increased feed grain and soybean tonnages. A stronger yen and modest expansion in Japan's livestock sector will help boost U.S. feed grain sales, although Chinese competition will remain strong. Competition in soybeans, however, is expected to weaken in Japan, as it is in Western Europe, boosting U.S. market share and sales. U.S. cotton sales will probably fall, though, as yarn imports cut Japan's mill use and low competitor prices discourage purchasing from the United States.

**USSR.**—Better harvests in the Soviet Union this year may reduce imports of U.S. farm products by as much as 40 percent in value. The value of Soviet purchases from the United States was nearly a record in fiscal 1985. But, improved Soviet grain production and quality, along with a record harvest of nongrain feeds and lower livestock numbers, will likely slash U.S. grain sales in 1986.

Rebounding sunflowerseed production will probably mean lower vegetable oil sales to the Soviets, and cotton sales will also fall because of strong Soviet production. The only significant gain anticipated is in wheat sales, which are expected to rise to the minimum set in the U.S.-USSR Grain Agreement. Declining Soviet petroleum production and exports will mean less convertible currency to finance imports.

**Eastern Europe.**—Hard currency limitations will still restrain agricultural imports. Export earnings in the region have been lower than anticipated, scaling back import plans and increasing pressure to seek lower prices.

The value of U.S. exports to the region is expected to rise only marginally, despite a drought that cut agricultural produc-



# U.S. Agricultural Export Value by Region

Region	Fiscal 1983	Fiscal 1984	Fiscal 1985	Fiscal 1986 forecast
-Billion dollars--				
Western Europe	10.148	9.264	7.184	7.0
European Comm.	7.628	6.717	5.336	5.3
Other West. Europe	2.519	2.547	1.849	1.7
Eastern Europe	.827	.741	.531	.6
USSR	.983	2.512	2.509	1.4
Asia	13.588	15.209	11.935	11.4
Middle East <sup>1/</sup>	1.482	1.865	1.452	1.4
South Asia <sup>2/</sup>	1.170	.867	.600	.7
Japan	5.888	6.935	5.663	5.5
China	.546	.692	.239	.2
Other E. Asia <sup>3/</sup>	3.293	3.631	3.138	2.9
S.E. Asia <sup>4/</sup>	1.203	1.218	.843	.7
Canada	1.870	1.936	1.727	1.6
Africa	2.272	2.868	2.528	2.3
North Africa <sup>5/</sup>	1.452	1.542	1.208	1.3
Sub-Sahara	.821	1.327	1.319	1.0
Latin America	4.865	5.285	4.563	4.5
Mexico	1.777	1.973	1.562	1.6
Cent. Amer. & Carib.	1.130	1.223	1.129	1.2
South America	1.959	2.089	1.872	1.7
Oceania	.223	.216	.204	.2
Total	34.776	38.031	31.182	29.0
Developed countries <sup>6/</sup>	18.511	19.179	15.226	14.3
Less dev. countries	13.911	14.907	12.676	12.5
Cont. planned countries	2.356	3.945	3.380	2.2

<sup>1/</sup> Turkey, Cyprus, Syria, Lebanon, Iraq, Iran, Israel, Jordan, Kuwait, Saudi Arabia, Qatar, United Arab Emirates, Yemen (Sana), Yemen (Aden), Oman, and Bahrain. <sup>2/</sup> Afghanistan, India, Pakistan, Nepal, Bangladesh, and Sri Lanka. <sup>3/</sup> Korea, Hong Kong, and Taiwan. <sup>4/</sup> Burma, Thailand, Vietnam, Laos, Kampuchea, Malaysia, Singapore, Indonesia, Brunei, Philippines, and Macao. <sup>5/</sup> Morocco, Algeria, Tunisia, Libya, and Egypt. <sup>6/</sup> Western Europe, Japan, Canada, and Oceania.

tion in several East European countries. U.S. wheat sales to the region are expected to decline despite increased needs, as East European customers pursue alternatives to high-priced U.S. wheat.

*China.*—In 1985, U.S. agricultural exports to China fell 65 percent, almost entirely because of lower wheat shipments. Exports may fall another \$50 million in 1986, as wheat sales slip again. Although China has just experienced its first drop in farm output since 1977, supplies remain large and the country's total wheat imports are expected to fall. However, small increases are expected again in U.S. exports of cattle hides and tobacco; these nongrain imports are rising because of China's more liberal economic policies.

*South Asia.*—In contrast to estimates for most customers, South Asian imports of U.S. farm products may rise slightly in 1986. The main reason is increased concessional sales to Pakistan following drought there. Although India's huge wheat surplus will preclude wheat imports for several years, Pakistan's imports of U.S. wheat may nearly double from year-earlier tonnage. Also, Pakistan's cotton production is expected to slip from 1985's record high, boosting vegetable oil import needs.

India's edible oil production will also fall, but strong competition from Asian palm oil will keep U.S. soybean oil sales to the region below the average tonnage of the last 5 years. U.S. farm product exports to Bangladesh will be lower, as farm production there recovers from last year's flooding.

*Other East Asia.*—Lower prices and lower cotton sales are expected to lead to a decline in the value of U.S. farm exports to other East Asian countries (Korea, Taiwan, and Hong Kong). Quality problems with Canada's wheat crop and floods in China's northeast may boost U.S. grain exports to the region. Soybean sales are expected to remain near last year's record tonnage, as modest increases in livestock feeding continue. Cotton exports, however, are expected to register a significant decline; Chinese and Pakistani competition is cutting into U.S. sales.

**Southeast Asia** — As in 1985, higher domestic food production, sluggish export earnings, and intense price competition will lower U.S. agricultural sales. Southeast Asia is a net exporter of both food and energy, and lower prices have reduced earnings in both sectors. The subsequent weakness in economic growth and consumer demand will cut demand for U.S. agricultural products.

**Middle East** — Little change is expected in the value of U.S. agricultural exports; increased exports of some commodities will offset declines in others. Wheat sales are expected to rise, because of U.S. credit guarantees and the Export Enhancement Program (EEP). Like North Africa, the Middle East has been a focus for EEP activities. Crop production in the region has largely recovered from drought, and U.S. sales of coarse grains and soybeans will probably decline as a result.

The Middle East is the United States' largest rice market, but Thai competition will likely hold sales to only a slight increase this year. Thailand's rice exports to the Middle East have almost doubled since 1980, while U.S. sales have fallen. Falling petroleum revenues in recent years have driven Middle East buyers to lower priced suppliers, including the EC, Australia, and Argentina.

**North Africa** — A continued emphasis on boosting red meat production in Algeria and Egypt, plus U.S. initiatives under the EEP, may slightly raise the value of U.S. sales to North Africa in 1986, despite record grain production. EEP initiatives are being directed at North Africa, particularly Algeria and Egypt, and wheat sales to the region are expected to climb as a result. On the other hand, U.S. vegetable oil exports should fall; Egypt is increasingly turning to Argentina and Brazil for its imports.

**Sub-Saharan Africa** — U.S. farm exports are expected to decline in 1986 after 2 years of being unusually high. The return of normal rainfall across the Sahel means food aid needs — which climbed 50 percent last year — will be down sharply. Exports to Sudan and Ethiopia will probably fall but remain high by historical standards; large food aid shipments continue.

Increased rain in eastern and southern Africa will cut U.S. feed grain sales because South Africa, and possibly Kenya, will return to exporter status. However, U.S. wheat shipments to the region may surpass 1985's record volume, largely because of the area's increasing demand and a drought in South Africa's wheat-producing areas. In addition, U.S. exports of oilseeds are expected to continue relatively high.

**Latin America** — Lower export value is forecast for U.S. agricultural exports to Latin America. Brazil's record wheat crop and its trade agreement with Argentina will probably reverse last year's climb in U.S. wheat exports to Brazil. In addition, agriculture is currently Venezuela's strongest sector. Tight financial conditions, adequate grain harvests, and strong Argentine competition have also reduced the market for U.S. wheat in the Andean region.

Hurricane damage to food production in the Caribbean is expected to increase the demand for U.S. farm products in 1986. The United States typically supplies 40 percent of all agricultural commodities imported by Caribbean and Central American countries. [Stephen MacDonald (202) 786-1621]



## Farm Income

### FINANCIAL PROSPECTS FOR THE FARM SECTOR

Net farm income for 1985 likely ranged from \$25 to \$29 billion, compared with \$34.5 billion in 1984. Assuming no major policy changes or weather disruption in the year ahead, net farm income in 1986 is projected to range from \$22 to \$26 billion, as gross income falls more sharply than production expenses.

Last year, the sharp decline in cash expenses likely outweighed the decline in gross cash income, so 1985 net cash income probably equaled or exceeded the 1984 record high of \$39.2 billion. Net cash income for 1986 is currently forecast to range from \$37 to \$41 billion.

### Net Cash Income Likely Even in 1986

Net cash income in 1986 is expected to be near 1985, as Government programs continue to support farm income. Net cash income may range from \$37 to \$41 billion.

The cash income positions of cash grain, cotton, and other field-crop farms likely improved in 1985, because of lower expenses and continued strong Government payments. The cash incomes of cattle, hog, sheep, and dairy farms probably gained significantly over 1984, but poultry and egg farms likely lost ground.



# Farm Income and Cash Flow, 1982-1986

Item	1982	1983	1984	1985 <sup>f</sup>	1986 <sup>f</sup>
Billion dollars					
Farm Income sources:					
1. Cash receipts	142.9	136.3	141.8	136-140	134-138
Crops <u>1/</u>	72.7	66.8	69.1	66-70	64-68
Livestock	70.3	69.4	72.7	67-71	69-73
Cash Government payments	3.5	4.1	4.0	6-9	6-10
Value of PIK commodities	0.0	5.2	4.5	0	0
2. Direct Government payments	3.5	9.3	8.4	6-9	6-10
3. Farm-related income <u>2/</u>	2.6	2.5	3.0	2-4	2-4
4. Gross cash income (1+2+3) <u>3/</u>	149.0	148.1	153.3	147-152	145-150
5. Nonmoney income <u>4/</u>	14.0	13.1	12.9	11-13	10-12
6. Realized gross income (4+5)	163.0	161.2	166.2	158-163	156-161
7. Value of inventory change	-1.4	-10.6	7.8	-1 to 3	-4-0
8. Total gross income (6+7)	161.6	150.6	174.0	159-164	154-159
Production expenses:					
9. Cash expenses <u>5/</u> <u>6/</u>	110.7	109.8	114.1	108-112	107-111
10. Total expenses	136.9	135.6	139.5	132-136	130-134
Income statements:					
Net cash income: <u>1/</u> <u>6/</u>					
11. Nominal (4-9)	38.3	38.3	39.2	37-41	37-41
Deflated (1972\$) <u>7/</u>	18.5	17.8	17.5	16-18	14-17
Net farm income: <u>1/</u>					
12. Nominal total net (8-10)	24.6	15.0	34.5	25-29	22-26
Deflated total net (1972\$) <u>7/</u>	11.9	7.0	15.5	11-13	9-11
Deflated total net (1967\$) <u>8/</u>	8.5	5.0	11.1	8-10	6-8
13. Off-farm income	37.9	38.8	40.0	39-43	40-44
Other sources and uses of funds:					
14. Change in loans outstanding <u>6/</u>	7.3	3.5	-1.5	-6 to -10	-6 to -2
Real estate	4.0	2.5	-0.8	-3 to -6	-5 to -1
Non-real estate <u>9/</u>	3.3	1.0	-0.7	-2 to -4	-3 to 1
15. Rental income	5.7	4.6	5.4	4-6	3-6
16. Gross cash flow (11+14+15)	51.3	46.3	43.1	34-38	38-42
17. Capital expenditures <u>6/</u>	13.7	13.0	12.5	10-14	9-13
18. Net cash flow <u>1/</u> <u>6/</u> (16-17)	37.6	33.3	30.7	22-26	26-30

f=Forecast as of 12/13/85. 1/ Includes net CCC loans. 2/ Income from custom work, machine hire, farm recreational activity, sales of forest products, and other misc. sources. 3/ Numbers in parentheses indicate the combination of items required to calculate a given item. 4/ Value of home consumption of farm products and imputed rental value of farm dwellings. 5/ Excludes depreciation and perquisites to hired labor. 6/ Excludes farm households. 7/ Deflated by the GNP implicit price deflator. 8/ Deflated by the CPI-U. 9/ Excludes CCC loans. Columns may not add up to exact totals because of rounding.

## Prices Will Remain Under Downward Pressure

Prices received by farmers for all commodities fell about 10 percent in 1985, the largest annual decline since 1953. Prices received for crops fell 13 percent, as near-record output and lackluster foreign and domestic demand combined to create huge carryover stocks. In the absence of any fundamentally new farm legislation or market development, these stocks will also put downward pressure on prices through first-half 1986.

Total cash receipts from 1985 marketings of farm products likely were down 1 to 3 percent from 1984's \$141.8 billion. Crop cash receipts probably remained near the 1984 total, as the drop in prices received outweighed a marketing volume gain caused in part by the 6-percent rise in crop production. Declines in receipts for oil crops, rice, fruits, and vegetables more than offset increases in feed grains and miscellaneous crops such as greenhouse and nursery items.

Livestock cash receipts fell 3 to 5 percent from the strong \$72.7 billion of 1984. A 7-percent drop in prices received likely outweighed a small increase in production. With the exception of milk, turkeys, and lamb, livestock receipts declined. Poultry showed the largest loss, dropping a tenth as egg and broiler prices fell heavily from artificially high levels caused by avian flu.

## Livestock Receipts May Climb Slightly

For 1986, total cash receipts are expected to decline slightly (up to 4 percent), with crops accounting for all of the loss. Livestock receipts may rise slightly; small gains in poultry and dairy receipts, due to greater marketings, will combine with higher hog prices and receipts. Cattle receipts in 1986 are anticipated to remain near those of 1985, as lower production is offset by somewhat stronger cattle prices.

The decline in 1986 crop receipts will likely come during the second half of the year. Continued low prices are expected

to combine with a smaller output from the 1986 harvest to leave cash receipts below 1985. However, current uncertainty about the farm bill and weather and market conditions next year make forecasts for second-half 1986 tentative. Nevertheless, with a continuation of current programs and average weather, receipts would decline for nearly all commodities, but especially for wheat, cotton, and soybeans.

Direct Government payments (mainly deficiency, diversion, storage, and conservation programs) in 1985 likely totaled about \$8 billion, close to the \$8.4 billion of 1984. However, in 1984, \$4.5 billion of the total consisted of commodities from the PIK program. Nearly all of 1985's payments were cash.

#### ***Government Payments in 1986 May Equal Those in 1985***

The payment forecast for 1986 is not based on the new farm bill. It assumes paid land diversion (accounting for a quarter of the total expected payments) for the major program crops, as well as deficiency payments based on 1985 target and loan rate limits. With these program and commodity price assumptions, direct payments in 1986 could be as large as in 1985. Wheat and corn farms will probably continue to receive a significant share of total payments.

Total farm production expenses fell 3 to 5 percent in 1985 from 1984's \$139.5 billion. Prices paid by farmers for all inputs receded 1 percent and overall input use contracted. Cash expenses also fell by 3 to 5 percent from the \$114.1 billion of 1984.

All major expense categories are forecast to have declined in 1985. Farm origin inputs may have fallen 4 to 6 percent because of lower feed grain prices and reduced shipments of feeder cattle. Manufactured inputs such as fertilizer likely dropped 2 to 4 percent because of lower prices paid and reduced use. Interest charges probably dropped the most, perhaps 5 to 7 percent. The decline reflects lower interest rates on outstanding debt, as well as a debt reduction caused in part by farmers' sustained effort to retire their outstanding debt.

#### ***Production Expenses To Fall in '86, As Input Use Shrinks Further***

Expenses are expected to decline again in 1986, but not by as much as in 1985.

#### **Cash Receipts, 1982-1986**

Item	1982	1983	1984	1985f	1986f
Billion dollars					
Crop receipts <sup>1/</sup>	72.7	69.8	69.1	66-70	64-68
Food grains	11.5	9.7	9.7	8-11	7-10
Food grains & hay	17.2	16.2	16.5	15-19	15-19
Oil crops	13.8	13.5	13.7	10-14	9-13
Other crops	30.2	27.4	29.2	27-31	27-31
Livestock receipts	70.3	69.4	72.7	67-71	69-73
Meat animals	40.9	38.9	40.8	37-41	37-41
Poultry & eggs	9.6	10.0	12.2	10-12	10-12
Dairy products	18.2	18.8	17.9	17-19	17-19
Other livestock	1.6	1.8	1.9	1-2	1-3
Total cash receipts	142.9	136.2	141.8	136-140	134-138

<sup>1/</sup> Includes net CCC loans. Totals may not add because of rounding.  
f = forecast.

Prices paid by farmers may remain near 1985, while total input use again shrinks. Much of the reduction in input use in 1986 depends on acreage planted, which in turn will depend partly on the farm program enacted. However, it is likely that interest expenses will continue to fall; market interest rates remain near 1985, and farmers continue to reduce their debt exposure, operating wherever possible on internally generated cash rather than new loans.

The overall financial picture for some farms may have degenerated in 1985 because of declines in land values and farm equity. Nominal land values, which skidded an unprecedented 13 percent in 1984, likely fell another 4 to 8 percent in 1985, with the current point estimate near the top of the range. As a

result, on December 31, 1985, farm real estate assets excluding operator dwellings likely stood 4 to 8 percent below the \$639.6 billion of December 31, 1984. Farm real estate assets are about three-quarters land. Much of the 1985 decline was again centered in the Midwest corn and wheat belts. Because of the fourth consecutive annual decline in real estate values, total farm assets on December 31, 1985, likely were \$790 to \$840 billion, compared with \$856.1 billion a year earlier.

#### ***Value of Non-Real Estate Assets May Have Held Steady in 1985***

The value of non-real estate assets in 1985 probably remained even or declined slightly from the \$216.5 billion of December 31, 1984. If values remained even, 1985 ended a 2-year decline.

#### **Farm Production Expenses, 1982-1986**

Item	1982	1983	1984	1985f	1986f
Billion dollars					
Farm-origin	31.5	33.1	33.4	30-32	30-34
Manufactured	22.2	21.3	23.1	21-23	20-24
Interest	21.8	21.4	21.1	19-21	18-22
Other operating <sup>1/</sup>	28.2	28.0	29.6	29-31	27-31
Other overhead <sup>2/</sup>	33.3	31.8	32.2	30-32	28-32
Total expenses	136.9	135.6	139.5	132-136	130-134

<sup>1/</sup> Includes repair and operation, hired labor, machine hire, cotton ginning, crop insurance and other miscellaneous operating expenses.

<sup>2/</sup> Includes capital consumption, property taxes, and net rent to non-operating landlords. f = forecast.



The decline was caused partly by reductions in the number and value of motor vehicles and equipment on farms (cash grain farms hold 40 percent of equipment and motor vehicles on all farms). The 2-year slide was also due to reductions in livestock and crop inventory values. In 1985, another decline likely occurred for both machinery/motor vehicle inventories and livestock values. However, these drops probably were offset by increases in crop inventories.

#### **Farmers' Debts Fell in 1985, Except on CCC Crop Loans**

Total farm debt outstanding (excluding households) on December 31, 1985, was likely about even with the \$198.9 billion at the end of 1984. Excluding CCC loans, 1985 farm debt was 2 to 6 percent below 1984, as real estate and non-real estate debt each declined about 4 percent.

However, a surge in CCC loan activity during the third and fourth quarters of 1985 offset declines in the other debt categories. Cash grain farms, which account for about 25 percent of all farms, hold about one-third of all farm debt. Meat animal farms and ranches account for roughly another third.

Because of the near-record crop production in 1985, many crop farmers eligible for Government programs had enough cash to meet current obligations and pay down some of their debt. Real estate debt likely ranged from \$96 to \$101 billion, compared with \$102.9 billion in 1984.

If the forecast figures are correct, 1985 saw the largest year-to-year decline in real estate debt since 1944, with Federal land banks likely realizing the biggest drops in loans and the greatest loss of market share. Life insurance companies and individuals and others may also have lost market share of real estate debt. On the other hand, the Farmers Home Administration and commercial banks increased their share of outstanding real estate loans.

Non-real estate debt (excluding CCC loans) ranged from \$82 to \$86 billion in 1985, compared with \$87.3 billion in 1984. Again, the Farmers Home Administration likely gained significant loan volume and market share at the expense of other lenders, especially production credit associations and commercial banks.

#### **Farmers' Nominal Net Worth Fell in 1985, May Drop Again**

Total nominal dollar net worth in the sector likely fell in 1985 for the fifth consecutive year, to a range of \$595 to \$635 billion, compared with \$657.2 billion on December 31, 1984. Equity levels were still greater than during 1977, however. This year may see another, though possibly smaller, decline in equity.

The debt-to-asset ratio, which has been rising steadily the past 6 years, likely was 23 to 25 percent in 1985, compared with 23.2 in 1984 and 17.0 as recently as 1980. The ratio of debt to net cash income probably declined in 1985 for the third consecutive year and may have given farmers some breathing room for debt servicing.

Return on assets, 4.3 percent in 1984, likely remained about the same in 1985, as both returns to operators and asset values declined in similar proportions. Total returns on equity probably fell slightly in 1985, following a 13.2-percent decline in 1984. Returns on equity from income likely was unchanged, while losses likely were only about 4 percent, compared with the 16-percent decline in 1984.

In the year ahead, assuming no major policy changes, total farm assets may slow their decline, as the sector approaches equilibrium in this transition period. While assets may decline as much as 4 percent, total farm debt—especially real estate debt—may also fall, as farmers concentrate on repaying obligations on capital items. CCC debt may again rise if relatively low crop prices prevail and loan rates similar to 1985's are in effect. These movements are anticipated to reduce equity again and result in a small increase in the debt/asset ratio.

It may be some time before agriculture again experiences significant price and income increases. However, as the adjustment process now underway runs its course, returns on new investment in farming will again become competitive. [John Lee (202) 786-3300; Gary Lucier and Matt Rea (202) 786-1808]



## **Food and Marketing**

### **FOOD PRICES & CONSUMPTION**

In 1986, the Consumer Price Index for food is expected to average 2 to 4 percent higher than in 1985. For 1985, the index should average 2.2 percent above 1984. The general inflation rate is expected to remain near 4 percent in 1986, as it has for the past 2 years. The rate of growth in consumer demand for goods and services is expected to stay slow through this year, adding little strength to food prices.

Smaller supplies, particularly of red meats, will lead to an increase of 2 to 4 percent in the farm value of food in 1986. Smaller supplies will also mean stronger retail prices for many foods. Food consumption is expected to decrease 1 to 2 percent.

Although lower red meat supplies and higher red meat prices will help boost the average farm value of all foods, the farm value of most categories besides red meats is expected to fall slightly. Barring a freeze in the fresh winter vegetable growing areas, the farm value of fresh vegetables will decrease nearly 6 percent because of large supplies and low prices for potatoes.

The farm-to-retail price spread increased more than 5 percent in 1985.

## Market Basket Statistics

	Relative weight	Average annual changes from previous year				
		1981	1982	1983	1984	1985
		Percent				
Retail cost	100	7.7	3.6	0.9	3.9	1.2 1 to 3
Farm value	33	2.8	1.1	-2.2	5.4	-7.0 2 to 4
Farm-to-retail price spread	67	10.5	5.0	2.3	3.2	5.2 1 to 3

1985 preliminary; 1986 forecast.

This was the largest increase in 4 years, reflecting lower farm prices for many foods but slightly higher retail prices. A slight rise in the cost of marketing food accounted for a portion of the 1985 growth in the spread.

The wider spread in 1985 suggests some recovery in food industry profits, following the recession of the early 1980's, when some food processors were suffering severe losses. In 1986, the farm-to-retail spread will rise at about the same rate as the general rate of inflation.

### Outlook by Commodity

**Beef and pork.**—Cattle prices were depressed for most of 1985. Supplies of beef were large, and retail prices edged down each month from January through September. With large beef supplies at lower prices, pork prices remained about level, even though pork supplies were slightly below 1984. Cattle and hog prices are likely to strengthen in 1986, pushing the farm value of meats up and putting pressure on retail prices. Retail meat prices will likely rise 3 to 5 percent in 1986, as meat consumption drops 5 to 6 percent below 1985.

**Poultry.**—Even with larger supplies, retail prices for poultry decreased only about 1 percent in 1985, suggesting strong consumer demand. In 1986, poultry production is expected to expand again. However, higher prices for red meats will likely cause consumers to shift to lower priced poultry, keeping retail poultry prices about level with 1985. Per capita poultry consumption increased about 3 percent in 1985, and will likely gain another 3 to 4 percent in 1986.

**Eggs.**—Eggs played a role in the decrease in the farm value of food in 1985. The farm value of eggs last year likely averaged more than 30 percent below 1984, when supply disruptions caused by the avian flu pushed both farm and retail prices to record highs. In 1985, retail prices for eggs averaged about 18.5 percent below 1984. Eggs account for 1.3 percent of the CPI for food. In 1986, retail prices of eggs may rise 3 to 5 percent, as producers cut output in hopes of more favorable returns.

**Dairy products.**—Prices for dairy products were 1.9 percent above 1984 in 1985. Most of the increase was for highly processed products, particularly cheese and ice cream. The CPI for dairy products is forecast to remain unchanged in 1986. Similarly, per capita consumption of dairy products rose less than 1 percent in 1985 and will do the same in 1986.

**Fats and oils.**—Retail prices of fats and oils rose 3 percent in 1985, despite a drop in soybean prices. In 1986, retail prices are expected to rise 2 to 4 percent, and consumption is forecast to fall 1 to 2 percent. Smaller supplies of animal fats will heighten demand for vegetable oils in the frying and baking industries, bid-

ding up prices for oil used in retail products.

**Fresh fruits.**—Because of smaller supplies, fresh fruit prices increased about 11 percent in 1985. Freeze-damaged citrus trees take time to heal and supplies of some fruits are likely to be small again in 1986, causing higher retail prices and little or no growth in consumption from 1985.

**Fresh vegetables.**—Fresh vegetable prices in 1985 likely averaged a little over 5 percent below 1984. Large potato supplies in fall 1985, along with low prices, tended to hold down average fresh vegetable prices for the year. Large potato supplies in 1986, combined with plentiful supplies of other fresh vegetables, will push prices 3 to 5 percent below 1985, barring a freeze. Consumption of domestically produced vegetables in 1985 was only fractionally above a year earlier, but 1986 vegetable consumption is expected to increase 1 to 2 percent.

**Cereals and bakery products.**—Since cereals and bakery products are more processed than other categories of foods, their retail prices are more responsive to changes in marketing costs. Retail prices for cereals and bakery products increased about 3.5 percent in 1985 and are expected to increase 2 to 4 percent in 1986.

Consumption of wheat flour, pasta, and corn meal products is expected to increase 1 to 2 percent in 1986, as it did in 1985. The growth can be attributed to stronger demand for Italian and other ethnic foods. Recommendations by the National Cancer Institute and other groups to increase intake of fiber and grain products may also be boosting consumption of these products. [Ralph Parlett and Karen Bunch (202) 786-1870]

## Major Costs of Food Marketing

	Av. annual change from previous year			
	1983	1984	1985	1986
	Percent			
Food marketing costs	3	4	1	1 to 2
Labor	4	3	0	1 to 2
Packaging	2	10	3	3 to 4
Fuel & power	0	1	-3	0 to 1
Transport.	1	4	1	0 to 1

1985 preliminary; 1986 forecast.





## Recent Publications

USDA's Economic Research Service publishes a number of research reports, statistical supplements, handbooks, and other periodicals that may be of interest to *Agricultural Outlook* readers.

### New Reports - GPO

The following reports are available FOR SALE ONLY from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. Order by report title and number. Make checks payable to Superintendent of Documents. Prices subject to change. Bulk discounts available. For faster service or further information call GPO's order desk at (202) 783-3238 and charge your purchase to your VISA, MasterCard, Choice, or GPO Deposit Account.

**Food Consumption, Prices, and Expenditures, 1964-84.** SB-736. December 1985. (Price \$4.25.) Stock Number: 001-019-00423-1.

**A Quarterly Model of the Livestock Industry.** TB-1711. December 1985. (Price \$1.50.) Stock Number: 001-019-00414-2.

**Differing Effects of Farm Commodity Programs on Land Returns and Land Values.** AER-544. November 1985. (Price \$1.00.) Stock Number: 001-019-00420-7.

### Upcoming Crop Reporting Board Releases

The following list gives the release dates of the major Crop Reporting Board reports that will be issued by the time the March *Agricultural Outlook* comes off press.

#### January

- 3 Egg Products
- 6 Celery  
Dairy Products
- 7 Poultry Slaughter
- 9 Vegetables
- 10 Crop Production  
Small Grains
- 13 Turkey Hatchery  
Turkeys
- 15 Potato Stocks  
Milk Production
- 21 Catfish
- 24 Cattle on Feed  
Livestock Slaughter  
Cold Storage
- 27 Noncitrus Fruits/  
Nuts - Annual  
Peanut Stocks &  
Processing
- 28 Eggs, Chickens, &  
Turkeys  
Layers & Egg Production -  
Annual
- 29 Sheep & Goats
- 31 Agricultural Prices

#### February

- 3 Dairy Products
- 4 Egg Products  
Poultry Slaughter
- 5 Agricultural Resources  
Fertilizer & Energy
- 6 Celery
- 10 Crop Production  
Crop Prod. - Annual  
Cattle  
Rice Stocks
- 12 Turkey Hatchery
- 13 Vegetables
- 14 Milk Production  
Cattle on Feed  
Potato Stocks
- 18 Prospective Plantings
- 19 Crop Values  
Sugar Market Statistics
- 20 Catfish
- 21 Livestock Slaughter  
Cold Storage  
Farm Labor
- 25 Eggs, Chickens, & Turkeys
- 27 Peanut Stocks & Processing
- 28 Capacity of Refrig.  
Warehouses  
Agricultural Prices

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# Statistical Indicators

## Summary Data

### Key statistical indicators of the food and fiber sector

	1984	1985					1986		
	Annual	I	II	III	IV F	Annual F	I F	II F	Annual F
Prices received by farmers (1977=100)	142	135	129	122	125	128	127	128	128
Livestock & products	146	144	135	129	136	136	138	140	140
Crops	138	126	124	115	113	119	116	116	116
Prices paid by farmers, (1977=100)									
Prod. items	155	154	152	149	149	151	148	149	148
Commodities & services, int., taxes, & wages	164	164	164	163	163	164	162	164	164
Cash receipts 1/ (\$ bil.)*	141	138	134	136	147-151	136-140	133-137	128-132	134-138
Livestock (\$ bil.)	73	72	68	68	70-74	67-71	68-72	66-70	69-73
Crops (\$ bil.)	69	66	67	68	75-79	66-70	63-67	60-64	64-68
Market basket (1967=100)									
Retail cost	279	284	282	282	283	283	285	287	286-291
Farm value	255	250	237	225	237	237	240	239	242-246
Spread	293	304	309	316	304	308	305	308	311-317
Farm value/retail cost (%)	34	33	31	30	31	31	31	31	32
Retail prices (1967=100)									
Food	303	309	310	310	311	310	313	316	316-322
At home	292	298	297	296	297	297	299	301	300-306
Away-from home	333	341	346	349	351	347	353	358	357-364
Agricultural exports (\$ bil.) 2/	38.0	8.9	6.7	5.6	8.5	31.2	8.0	6.0	29
Agricultural imports (\$ bil.) 2/	18.9	5.5	5.0	4.6	4.7	19.7	5.5	5.0	20
Livestock & products									
Livestock & products (1974=100) 3/	114.9	112.4	120.1	121.2	118.8	118.1	115.1	119.8	118.3
Beef (mil. lb.)	23,418	5,691	5,917	6,166	5,725	23,499	5,500	5,475	22,175
Pork (mil. lb.)	14,720	3,618	3,741	3,552	3,800	14,711	3,600	3,675	14,600
Veal (mil. lb.)	479	119	120	126	125	490	115	105	460
Lamb & mutton (mil. lb.)	371	93	83	85	88	349	82	76	315
Red meats (mil. lb.)	38,988	9,521	9,861	9,929	9,738	39,049	9,297	9,331	37,550
Broilers (mil. lb.)	12,999	3,229	3,513	3,472	3,370	13,584	3,350	3,650	14,200
Turkeys (mil. lb.)	2,574	482	628	853	850	2,813	525	660	2,985
Total meats & poultry (mil. lb.)	54,561	13,232	14,002	14,254	13,958	55,446	13,172	13,641	54,735
Eggs (mil. dz.)	5,705	1,430	1,406	1,408	1,460	5,704	1,415	1,400	5,655
Milk (bil. lb.)	135.4	33.6	37.2	36.7	35.7	143.2	36.5	38.8	148.0
Choice steers, Omaha (\$/cwt.)	65.34	62.24	57.66	52.17	62.63	58.59	60.64	63.69	61.67
Barrows & gilts, 7 markets (\$/cwt.)	48.86	47.32	43.09	43.62	45.46	44.45	45.49	43.49	45.51
Broilers wholesale, 12-city weighted avg. dressed (cts./lb.)	55.6	51.5	50.7	50.9	50-51	50-51	48-52	48-54	47.53
Turkeys-wholesale, N.E., 8-16 lb. hens, dressed (cts./lb.)	74.4	68.9	65.1	77.9	90-91	75-76	60-64	57-63	60-66
Eggs, N.Y. Gr. A large, (cts./dz.)	80.9	61.7	60.0	68.3	75-76	66-67	68-72	65-71	67.73
Milk, all at farm (\$/cwt.)	13.45	13.67	12.50	12.17	12.55-12.75	12.70-12.80	12.40-12.80	11.85-12.45	12.15-12.65
Crop prices at the farm 4/									
Wheat (\$/bu.)	3.38	2.92	3.27	2.99	---	3.00-3.20	---	---	---
Corn (\$/bu.)	2.65	2.64	2.67	2.44	---	2.35-2.55	---	---	---
Soybeans (\$/bu.)	5.85	5.84	5.73	5.17	---	5.00-5.30	---	---	---
Upland cotton (cts./lb.)	5/ 57.5	52.6	58.3	57.2	---	---	---	---	---

1/ Quarterly cash receipts are seasonally adjusted at annual rates. 2/ Annual data are based on Oct.-Sept. fiscal years ending with the indicated year. 3/ Index of production weighted by prices in 1974. 4/ Quarterly prices are simple averages; annual prices are for marketing year beginning in year indicated. 5/ Weighted average. F = Forecast. Numbers may not add to totals due to rounding.  
\*Seasonally adjusted at annual rates.



# Farm Prices: Received and Paid

## Indexes of prices received and paid by farmers, U.S. average

	Annual			1984		1985				
	1982	1983	1984	Nov	June	July	Aug	Sept	Oct	Nov p
1977=100										
Prices received										
All farm products	133	134	142	136	128	126	121	121	123	126
All crops	121	127	138	129	122	121	114	112	111	114
Food grains	146	148	143	143	129	123	122	126	128	129
Feed grains & hay	120	143	146	126	130	125	118	111	105	110
Feed grains	120	146	148	126	130	126	118	109	104	108
Cotton	92	104	108	102	95	96	93	91	94	94
Tobacco	153	155	153	160	157	157	148	157	157	154
Oil-bearing crops	88	102	109	93	87	84	78	76	74	75
Fruit	175	122	197	240	185	184	173	187	192	195
Fresh market 1/	186	123	214	265	198	197	184	200	205	207
Commercial vegetables	126	130	135	106	100	128	121	113	111	123
Fresh market	120	129	133	97	89	125	117	105	103	119
Potatoes 2/	125	123	157	116	168	150	111	93	93	92
Livestock & products	145	141	146	143	134	130	128	128	134	138
Meat animals	155	147	151	146	142	136	133	129	138	143
Dairy products	140	140	139	147	125	125	125	127	130	131
Poultry & eggs	110	118	135	127	114	114	117	127	123	133
Prices paid										
Commodities & services,										
interest, taxes, & wage rates	157	160	164	164	164	163	163	162	162	163
Production items	150	153	155	153	151	150	150	148	148	149
Feed	122	134	135	123	117	115	112	110	108	110
Feeder livestock	164	160	154	154	155	147	148	143	148	151
Seed	141	141	151	156	150	150	150	154	154	154
Fertilizer	144	137	143	141	135	135	135	135	130	130
Agricultural chemicals	119	125	128	129	128	128	128	128	128	128
Fuels & energy	210	202	201	200	204	204	203	203	202	205
Farm & motor supplies	152	152	147	147	147	146	145	145	144	144
Autos & trucks	159	170	182	189	194	194	193	193	193	199
Tractors & self-propelled machinery	165	174	181	182	177	177	177	174	174	174
Other machinery	160	171	180	183	184	184	184	184	184	184
Building & fencing	135	138	138	137	136	136	136	136	136	135
Farm services & cash rent	145	146	148	148	152	152	152	152	152	152
Interest payable per acre on farm real estate debt	241	250	251	251	250	250	250	250	250	250
Taxes payable per acre on farm real estate	124	129	132	132	135	135	135	135	135	135
Wage rates (seasonally adjusted)	144	148	150	150	158	154	154	154	150	150
Production items, interest, taxes, & wage rates	155	159	161	159	159	157	157	156	155	156
Prices received (1910-14=100)	609	614	649	623	585	575	554	551	560	577
Prices paid, etc. (Parity index) (1910-14=100)	1,078	1,104	1,127	1,125	1,129	1,124	1,122	1,117	1,116	1,122
Parity ratio 3/	57	56	58	55	52	51	49	49	50	51

1/ Fresh market for noncitrus and fresh market and processing for citrus. 2/ Includes sweetpotatoes and dry edible beans. 3/ Ratio of index of prices received to index of prices paid, taxes, and wage rates. (1910-14=100).  
p = preliminary.

## Prices received by farmers, U.S. average

	Annual <sup>a</sup>			1984	1985					
	1982	1983	1984	Nov	June	July	Aug	Sept	Oct	Nov p
<b>Crops</b>										
All wheat (\$/bu.)	3.52	3.58	3.46	3.45	3.09	2.93	2.89	3.00	3.09	3.11
Rice, rough (\$/cwt.)	8.36	8.31	8.32	8.13	7.83	7.54	7.84	7.81	7.68	7.66
Corn (\$/bu.)	2.37	2.99	3.05	2.55	2.63	2.60	2.44	2.28	2.12	2.22
Sorghum (\$/cwt.)	4.00	4.89	4.60	4.04	4.53	4.05	3.84	3.28	3.30	3.51
All hay, baled (\$/ton)	69.17	73.66	76.08	72.30	71.80	68.80	66.90	67.10	66.00	66.00
Soybeans (\$/bu.)	5.78	6.73	7.02	6.01	5.62	5.42	5.09	4.99	4.85	4.92
Cotton, Upland (cts./lb.)	55.5	62.9	65.5	62.0	57.5	58.0	56.0	55.0	56.7	56.7
Potatoes (\$/cwt.)	5.10	4.97	6.45	4.60	6.94	6.04	4.18	3.58	3.59	3.42
Dry edible beans (\$/cwt.)	16.82	18.22	20.43	19.20	19.20	19.80	19.10	16.60	16.80	18.00
Apples for fresh use (cts./lb.)	15.3	13.2	16.7	17.3	12.3	17.5	18.2	17.7	17.3	17.5
Pears for fresh use (\$/ton)	300	280	218	307	550	--	278	258	332	374
Oranges, all uses (\$/box) 1/	6.61	3.36	9.01	10.38	7.78	5.72	4.74	5.01	5.11	5.76
Grapefruit, all uses (\$/box) 1/	2.06	1.99	3.05	4.24	4.19	5.86	5.13	6.07	4.01	3.19
<b>Livestock</b>										
Beef cattle (\$/cwt.)	57.00	55.83	57.56	54.80	53.60	50.20	49.40	49.10	52.10	55.00
Calves (\$/cwt.)	60.18	62.13	60.23	59.40	62.60	60.00	61.40	58.30	60.20	61.10
Hogs (\$/cwt.)	53.99	46.23	47.61	47.00	44.60	45.80	42.50	39.70	43.10	42.40
Lambs (\$/cwt.)	54.55	55.47	60.33	63.30	69.70	70.80	70.80	70.20	67.80	67.30
All milk, sold to plants (\$/cwt.)	13.59	13.57	13.45	14.30	12.10	12.10	12.10	12.30	12.60	12.70
Milk, manuf. grade (\$/cwt.)	12.66	12.63	12.54	13.30	11.30	11.00	11.10	11.40	11.70	11.80
Broilers (cts./lb.)	26.8	28.5	33.7	30.9	31.1	30.6	28.7	31.6	27.7	31.8
Eggs (cts./doz.) 2/	58.5	63.1	70.2	61.9	53.2	52.8	57.8	62.2	63.5	66.2
Turkeys (cts./lb.)	37.5	36.5	46.6	56.3	41.4	44.6	48.3	51.8	57.0	58.4
Wool (cts./lb.) 3/	68.0	61.5	76.5	67.5	72.5	67.9	62.5	61.3	70.1	56.6

1/ Equivalent on-tree returns. 2/ Average of all eggs sold by producers including hatching eggs and eggs sold at retail. 3/ Average local market price, excluding incentive payments. \*Calendar year averages. p = preliminary.

## Producer and Consumer Prices

### Consumer Price Index for all urban consumers, U.S. average (not seasonally adjusted)

	Annual	1984	1985							
	1984	Oct	Mar	Apr	May	June	July	Aug	Sept	Oct
			1967=100							
Consumer price index, all items	311.1	315.3	318.8	320.1	321.3	322.3	322.8	323.5	324.5	325.5
Consumer price index, less food	311.3	316.1	319.1	320.8	322.4	323.6	324.2	325.0	326.2	327.4
All food	302.9	304.4	309.7	309.6	308.9	309.3	309.5	309.7	309.9	309.8
Food away from home	333.4	336.6	342.6	343.9	345.1	346.9	347.3	348.4	349.9	350.3
Food at home	292.6	293.4	298.4	297.7	296.2	296.0	296.2	295.9	295.6	295.3
Meats 1/	268.1	267.1	269.5	266.4	263.4	263.0	262.7	261.2	260.4	261.2
Beef & veal	275.6	271.3	275.3	273.7	269.0	267.4	264.7	261.8	261.1	263.2
Pork	252.5	255.0	256.5	249.0	247.8	248.6	253.1	253.8	252.1	249.9
Poultry	218.5	214.0	217.3	216.7	213.6	216.0	214.7	213.9	215.9	214.3
Fish	386.8	390.6	403.3	402.8	395.8	397.2	402.7	406.1	408.6	407.9
Eggs	209.0	177.8	172.1	169.9	159.9	158.3	168.4	171.0	185.7	187.4
Dairy products 2/	253.2	256.1	258.9	258.3	258.4	257.8	257.8	257.4	258.0	257.1
Fats & oils 3/	288.0	294.9	294.9	294.0	294.0	296.0	297.8	297.1	294.8	291.2
Fruits & vegetables	317.4	318.4	332.1	333.2	330.3	329.0	328.9	326.3	319.9	317.1
Fresh	330.3	329.3	352.1	353.5	346.9	343.9	343.1	337.4	326.2	322.1
Processed	306.1	309.2	313.0	313.8	315.0	315.5	316.1	316.9	315.9	314.4
Cereals & bakery products	305.3	308.7	314.4	314.8	315.9	317.3	317.3	318.5	319.2	318.9
Sugar & sweets	389.1	393.3	394.8	396.1	397.6	398.3	400.2	401.8	401.1	402.6
Beverages, nonalcoholic	443.0	446.8	454.0	454.0	454.1	451.5	448.2	449.6	452.8	454.1
Apparel commodities less footwear	183.2	189.2	187.6	188.2	187.3	186.3	184.1	187.3	192.6	194.0
Footwear	209.5	212.9	213.1	213.2	213.2	213.9	211.4	210.3	210.9	212.3
Tobacco products	310.0	314.6	323.7	324.0	324.1	324.8	330.0	331.5	332.8	334.4
Beverages, alcoholic	222.1	224.2	226.5	226.7	227.7	227.8	227.8	228.9	229.3	236.4

1/ Beef, veal, lamb, pork, and processed meat. 2/ Includes butter. 3/ Excludes butter.



# Producer price indexes, U.S. average (not seasonally adjusted)

	Annual			1984		1985				
	1982	1983	1984	Oct	May	June	July	Aug	Sept	Oct
	1967=100									
Finished goods 1/	280.7	285.2	291.1	291.5	294.2	294.0	294.8	293.5	290.2	294.8
Consumer foods	259.3	261.8	273.3	271.1	269.5	268.7	271.7	269.5	266.5	268.7
Fresh fruit	236.9	251.2	252.8	272.5	244.3	242.1	239.2	269.4	249.9	244.0
Fresh & dried vegetables	246.5	248.9	278.3	242.7	237.9	245.3	286.6	234.9	212.1	206.4
Eggs	178.7	n.a.	210.8	179.9	150.2	147.7	164.0	168.9	188.3	191.1
Bakery products	275.4	285.7	299.0	302.9	309.6	311.4	313.3	315.3	316.1	317.9
Meats	250.6	236.7	236.7	224.9	222.2	224.2	228.9	220.9	213.9	224.9
Beef & veal	245.0	236.7	236.9	220.1	217.3	218.9	214.4	204.1	200.2	214.5
Pork	251.1	227.6	226.2	216.4	211.6	216.1	238.7	229.4	213.8	227.4
Poultry	178.7	185.0	206.1	196.8	189.7	196.5	197.3	194.8	201.9	199.2
Fish	422.4	448.2	485.3	515.4	533.9	437.3	463.0	481.9	486.1	486.3
Dairy products	248.9	250.6	251.7	256.7	250.1	249.4	248.0	247.5	246.2	245.5
Processed fruits & vegetables	274.5	277.4	294.3	295.5	297.7	300.7	299.1	301.0	296.4	294.7
Shortening & cooking oils	234.4	256.1	311.5	316.2	310.5	307.6	301.4	280.7	270.6	262.6
Consumer finished goods less foods	287.8	291.4	294.1	295.0	299.0	299.0	299.0	297.6	294.7	299.4
Beverages, alcoholic	197.8	205.0	209.9	210.5	213.6	211.4	214.7	212.3	214.6	215.4
Soft drinks	319.1	327.4	340.5	348.2	346.1	342.4	343.3	343.4	343.8	346.6
Apparel	194.4	197.4	201.3	200.5	203.8	203.9	204.1	204.7	205.1	205.1
Footwear	245.0	250.1	251.7	252.2	253.9	257.5	257.2	258.5	259.3	259.6
Tobacco products	323.2	365.4	399.5	406.8	420.7	420.7	435.9	436.0	436.0	435.8
Intermediate materials 2/	310.4	312.3	320.0	320.1	319.9	319.3	318.6	317.8	317.9	317.8
Materials for food manufacturing	255.1	258.4	271.1	267.6	261.9	262.0	260.6	253.4	250.2	252.3
Flour	183.4	186.4	185.2	184.9	184.3	182.3	179.1	176.3	178.4	180.8
Refined sugar 3/	161.3	172.0	173.5	172.0	166.1	166.4	165.7	165.7	165.1	163.7
Crude vegetable oils	160.1	193.8	262.1	256.9	255.8	266.4	239.0	190.9	186.2	180.5
Crude materials 4/	319.5	323.6	330.8	319.6	309.1	305.6	303.7	295.5	292.4	298.0
Foodstuffs & feedstuffs	247.8	252.2	259.5	244.9	236.3	233.7	231.9	221.4	215.9	224.5
Fruits & vegetables 5/	253.7	262.1	278.1	266.8	250.9	254.0	275.4	260.9	239.3	233.5
Grains	210.9	240.4	239.7	219.0	214.1	212.7	204.9	185.1	181.1	176.3
Livestock	257.8	243.1	251.8	233.9	227.7	226.7	224.0	211.6	198.5	226.2
Poultry, live	191.9	206.5	240.6	219.2	214.6	223.6	227.6	216.0	244.5	225.2
Fibers, plant & animal	202.9	227.0	228.4	202.8	202.8	199.1	201.7	194.5	191.1	191.3
Milk	282.5	282.0	278.3	286.7	264.9	259.6	256.1	255.1	255.9	256.0
Oilseeds	214.5	245.3	253.3	217.2	214.7	211.4	206.7	190.1	187.3	175.7
Coffee, green	311.5	300.1	308.0	310.2	310.2	310.2	310.2	310.2	310.2	310.2
Tobacco, leaf	269.9	274.2	272.7	290.1	276.4	276.4	276.4	259.6	276.4	275.9
Sugar, raw cane	278.5	315.9	312.0	309.6	301.9	305.2	303.0	296.7	288.8	272.8
All commodities	299.3	303.1	310.3	309.4	309.8	309.2	309.0	307.2	305.8	308.0
Industrial commodities	312.3	315.7	322.6	323.2	325.3	324.8	324.3	323.6	322.5	324.4
All foods 6/	254.4	257.5	269.2	266.6	264.3	262.6	265.5	262.2	258.8	260.6
Farm products & processed foods & feeds	248.9	253.9	262.4	255.8	250.2	249.1	250.0	244.4	241.4	245.3
Farm products	242.4	248.2	255.8	240.1	230.4	229.4	229.2	218.0	212.9	219.5
Processed foods & feeds	251.5	255.9	265.0	263.3	260.0	258.8	260.3	257.9	256.0	258.4
Cereal & bakery products	253.8	261.0	270.5	272.7	278.0	279.9	279.2	279.9	280.4	282.2
Sugar & confectionery	269.7	292.8	301.2	300.2	294.4	294.4	293.9	292.2	290.6	286.6
Beverages	256.9	263.6	273.1	276.8	276.9	275.5	276.4	275.6	276.7	277.7

1/ Commodities ready for sale to ultimate consumer. 2/ Commodities requiring further processing to become finished goods. 3/ All types and sizes of refined sugar. 4/ Products entering market for the first time which have not been manufactured at that point. 5/ Fresh and dried. 6/ Includes all raw, intermediate, and processed foods (excludes soft drinks, alcoholic beverages, and manufactured animal feeds). n.a. = not available.

# Farm-Retail Price Spreads

## Market basket of farm foods

	Annual			1984	1985					
	1982	1983	1984	Oct	May	June	July	Aug	Sept	Oct
<b>Market basket 1/</b>										
Retail cost (1967=100)	266.4	268.7	279.3	279.7	281.9	281.8	282.3	281.6	281.0	280.5
Farm value (1967=100)	247.8	242.3	255.7	249.3	234.1	238.6	236.1	227.2	222.5	224.6
Farm-retail spread (1967=100)	277.4	284.3	293.1	296.2	310.1	307.1	309.5	313.6	315.4	315.4
Farm value/retail cost (%)	34.4	33.4	33.9	33.1	30.7	31.4	31.0	29.9	29.3	29.6
<b>Meat products</b>										
Retail cost (1967=100)	270.3	267.2	268.1	267.1	263.4	263.0	262.7	261.2	260.4	261.2
Farm value (1967=100)	251.3	235.8	241.6	225.5	215.1	220.2	217.6	202.4	196.9	209.5
Farm-retail spread (1967=100)	292.4	304.0	299.0	315.8	319.9	313.1	315.6	330.1	334.8	321.7
Farm value/retail cost (%)	50.2	47.6	48.6	45.5	44.1	45.2	44.7	41.8	40.8	43.3
<b>Dairy products</b>										
Retail cost (1967=100)	247.0	250.0	253.2	256.1	258.4	257.8	257.8	257.4	258.0	257.1
Farm value (1967=100)	261.9	262.1	259.0	264.5	248.2	247.1	243.7	243.6	240.1	238.5
Farm-retail spread (1967=100)	233.9	239.3	248.0	248.7	267.4	267.2	270.2	269.6	273.8	273.5
Farm value/retail cost (%)	49.6	49.0	47.8	48.3	44.9	44.8	44.2	44.2	43.5	43.4
<b>Poultry</b>										
Retail cost (1967=100)	194.9	197.5	218.5	214.0	213.6	216.0	214.7	213.9	215.9	214.3
Farm value (1967=100)	201.9	213.0	251.7	236.3	217.3	231.2	233.0	227.8	248.9	234.3
Farm-retail spread (1967=100)	188.1	182.4	186.4	192.5	210.0	201.3	197.0	200.4	184.0	194.5
Farm value/retail cost (%)	50.7	53.1	56.6	54.3	50.0	52.6	53.4	52.4	56.7	53.9
<b>Eggs</b>										
Retail cost (1967=100)	178.7	187.1	209.0	177.8	159.9	158.3	168.4	171.0	185.7	187.4
Farm value (1967=100)	189.8	206.1	229.6	171.3	149.4	163.1	162.0	180.6	198.9	204.6
Farm-retail spread (1967=100)	162.7	159.5	179.2	187.2	175.0	151.4	177.7	157.1	166.6	162.5
Farm value/retail cost (%)	62.8	65.1	64.9	56.9	55.2	60.9	56.8	62.4	63.3	64.5
<b>Cereal &amp; bakery products</b>										
Retail cost (1967=100)	283.4	292.5	305.3	308.7	315.9	317.3	317.3	318.5	319.2	318.9
Farm value (1967=100)	178.8	186.6	191.9	185.3	182.1	176.8	168.8	166.2	167.2	163.5
Farm-retail spread (1967=100)	305.1	314.0	328.8	334.2	343.6	346.4	348.0	350.0	350.7	351.1
Farm value/retail cost (%)	10.8	11.1	10.8	10.3	9.9	9.6	9.1	8.9	9.0	8.8
<b>Fresh fruits</b>										
Retail cost (1967=100)	323.2	303.6	345.3	377.5	404.4	401.7	394.9	400.5	391.3	382.5
Farm value (1967=100)	288.8	220.6	315.1	401.6	301.2	298.8	284.9	276.8	274.9	275.0
Farm-retail spread (1967=100)	338.7	340.8	358.9	366.7	450.7	447.9	444.3	456.0	443.5	430.8
Farm value/retail cost (%)	27.7	22.5	28.3	33.0	23.1	23.0	22.4	21.4	21.8	22.3
<b>Fresh vegetables</b>										
Retail cost (1967=100)	288.9	299.3	331.8	294.8	314.3	309.5	317.9	301.4	286.7	288.1
Farm value (1967=100)	261.3	267.4	299.3	217.0	249.1	240.5	310.1	289.9	211.0	183.5
Farm-retail spread (1967=100)	301.8	314.3	347.1	331.4	344.9	342.0	321.6	306.8	322.3	337.4
Farm value/retail cost (%)	28.9	28.6	28.9	23.5	25.3	24.8	31.2	30.8	23.5	20.3
<b>Processed fruits &amp; vegetables</b>										
Retail cost (1967=100)	286.0	288.8	306.1	309.2	315.0	315.5	316.1	316.9	315.9	314.4
Farm value (1967=100)	321.1	300.5	343.2	359.4	376.2	375.8	377.7	376.4	371.3	375.1
Farm-retail spread (1967=100)	278.2	286.2	297.8	298.1	301.4	302.1	302.5	303.7	303.6	301.0
Farm value/retail cost (%)	20.4	18.9	20.3	21.1	21.6	21.6	21.7	21.5	21.3	21.6
<b>Fats &amp; oils</b>										
Retail cost (1967=100)	259.9	263.1	288.0	294.9	294.0	296.0	297.8	297.1	294.8	291.2
Farm value (1967=100)	207.8	251.0	324.5	298.6	321.8	320.9	289.0	244.0	226.9	204.8
Farm-retail spread (1967=100)	279.9	267.8	273.9	293.5	283.3	286.4	301.2	317.5	320.9	324.4
Farm value/retail cost (%)	22.2	26.5	31.3	28.1	30.4	30.1	27.0	22.8	21.4	19.5

1/ Retail costs are based on indexes of retail prices for domestically produced farm foods from the CPI-U published monthly by the Bureau of Labor Statistics. The farm value is the payment to farmers for quantity of farm product equivalent to retail unit, less allowance for byproduct. Farm values are based on prices at first point of sale and may include marketing charges such as grading and packing for some commodities. The farm retail spread, the difference between the retail price and the farm value, represents charges for assembling, processing, transporting, and distributing these foods.

Note: Annual historical data on farm-retail price spreads may be found in Food Consumption, Prices and Expenditure, Statistical Bulletin 713, ERS, USDA.



## Farm retail price spreads

	Annual			1984	1985					
	1982	1983	1984	Oct	May	June	July	Aug	Sept	Oct
<b>Beef, Choice</b>										
Retail price 1/ (cts./lb.)	242.5	238.1	239.6	234.9	234.4	232.0	230.6	225.5	223.6	224.2
Net carcass value 2/ (cts.)	150.7	145.4	147.6	136.6	135.0	131.2	122.6	119.8	121.4	136.0
Net farm value 3/ (cts.)	140.5	136.2	140.0	130.2	125.4	122.9	114.0	112.0	111.1	127.6
Farm-retail spread (cts.)	102.0	101.9	99.6	104.7	109.0	109.1	116.6	113.5	112.5	96.6
Carcass-retail spread 4/ (cts.)	91.8	92.7	92.0	98.3	101.4	100.8	108.0	105.7	102.2	88.2
Farm-carcass spread 5/ (cts.)	10.2	9.2	7.6	6.4	7.6	8.3	8.6	7.8	10.3	8.4
Farm value/retail price (%)	58	57	58	55	53	53	49	50	50	57
<b>Pork</b>										
Retail price 1/ (cts./lb.)	175.4	169.8	162.0	163.9	158.7	157.9	161.7	161.8	159.8	160.0
Wholesale value 2/ (cts.)	121.8	108.9	110.1	101.3	99.6	106.3	99.9	96.8	93.1	98.7
Net farm value 3/ (cts.)	88.0	76.5	77.4	70.1	67.8	73.6	74.6	69.8	64.3	70.5
Farm-retail spread (cts.)	87.4	93.3	84.6	93.8	90.9	84.5	87.1	92.0	95.5	89.5
Wholesale-retail spread 4/ (cts.)	53.6	60.9	51.9	62.6	59.1	51.6	61.8	65.0	66.7	61.3
Farm-wholesale spread 5/ (cts.)	33.8	32.4	32.7	31.2	31.8	32.7	25.3	27.0	28.8	28.2
Farm value/retail price (%)	50	45	48	43	43	47	46	43	40	44

1/ Estimated weighted average price of retail cuts from pork and yield grade 3 beef carcasses. Retail prices from BLS.  
 2/ Value of carcass quantity equivalent to 1 lb. of retail cuts; beef adjusted for value of fat and bone byproducts.  
 3/ Market value to producer for quantity of live animal equivalent to 1 lb. retail cuts minus value of byproducts.  
 4/ Represents charges for retailing and other marketing services such as fabricating, wholesaling, and in-city transportation. 5/ Represents charges made for livestock marketing, processing, and transportation to city where consumed.

## Livestock and Products

### Poultry and eggs

	Annual			1984	1985					
	1982	1983	1984	Oct	May	June	July	Aug	Sept	Oct
<b>Broilers</b>										
Federally inspected slaughter, certified (mil. lb.)	12,039	12,389	12,999	1,212.8	1,221.5	1,094.8	1,203.3	1,211.1	1,070.4	1,179.2
Wholesale price, 9-city, (cts./lb.) 1/	44.0	49.4	55.6	48.8	50.9	53.4	50.2	50.1	52.2	48.3
Price of grower feed (\$/ton)	210	223	233	221	199	196	196	192	189	181
Broiler-feed price ratio (lb.) 2/	2.6	2.6	2.8	2.6	2.9	3.1	3.1	3.0	3.3	3.1
Stocks beginning of period (mil. lb.)	32.6	22.3	21.2	18.2	26.2	27.4	28.5	30.1	29.3	27.7
Avg. weekly placements of broiler chicks, 19 States (mil.)	80.2	80.4	83.1	78.5	90.1	90.4	87.0	86.4	84.3	81.4
<b>Turkeys</b>										
Federally inspected slaughter, certified (mil. lb.)	2,459	2,563	2,574	320.8	212.3	238.3	271.1	300.4	286.3	323.2
Wholesale price, New York, 8-16 lb. young hens (cts./lb.)	60.8	60.5	74.4	82.6	62.6	68.1	72.8	78.4	82.4	90.2
Price of turkey grower feed (\$/ton)	229	247	245	232	212	211	210	211	209	207
Turkey-feed price ratio (lb.) 2/	3.3	3.0	3.8	4.4	3.7	3.9	4.2	4.6	5.0	5.5
Stocks beginning of period (mil. lb.)	238.4	203.9	161.8	390.6	157.0	181.7	243.3	304.7	387.8	444.5
Poultz placed in U.S. (mil.)	(4/)	181.8	190.0	10.7	21.9	20.1	19.4	15.4	10.8	12.2
<b>Eggs</b>										
Farm production (mil.)	69,680	68,169	68,193	5,852	5,721	5,481	5,660	5,688	5,549	5,761
Average number of layers (mil.)	286	276	278	281	271	269	271	273	275	278
Rate of lay (eggs per layer on farms)	243	247	245	20.8	21.1	20.3	20.9	20.9	20.2	20.7
Cartoned price, New York, grade A large (cts./doz.) 3/	70.1	75.2	80.9	62.8	55.7	64.4	60.2	69.8	73.5	73.8
Price of laying feed (\$/ton)	190	204	206	194	183	182	181	178	177	175
Egg-feed price ratio (lb.) 2/	6.1	6.2	6.8	5.7	5.5	5.8	5.8	6.5	7.0	7.3
<b>Stocks, first of month</b>										
Shell (thou. cases)	34	34	13	23	26	30	21	30	20	22
Frozen (mil. lb.)	21.6	25.4	11.8	16.7	13.2	15.1	14.8	18.0	18.4	16.4
Replacement chicks hatched (mil.)	444	407	459	31.4	39.1	34.0	31.8	32.2	33.5	33.2

1/ 12-city composite weighted average beginning April 25, 1983. 2/ Pounds of feed equal in value to 1 dozen eggs or 1 lb. of broiler or turkey liveweight. 3/ Price of cartoned eggs to volume buyers for delivery to retailers. 4/ Not reported.

## Dairy

	Annual			1984	1985					
	1982	1983	1984	Oct	May	June	July	Aug	Sept	Oct
Milk prices, Minnesota-Wisconsin, 3.5% fat (\$/cwt.) 1/	12.49	12.49	12.29	12.64	11.46	11.20	11.10	11.08	11.12	11.21
Price of 16% dairy ration (\$/ton)	177	188	191	179	170	168	168	165	163	162
Milk-toed price ratio (lb.) 2/	1.54	1.45	1.42	1.56	1.47	1.44	1.44	1.47	1.51	1.56
Wholesale prices										
Butter, Grade A Chi. (cts./lb.)	147.7	147.3	148.8	158.1	141.9	141.9	141.5	140.7	141.2	141.6
Am. cheese, Wis. assembly pt. (cts./lb.)	138.3	138.3	138.0	143.8	128.0	126.7	124.7	124.2	124.3	124.3
Nonfat dry milk, (cts./lb.) 3/	93.2	93.2	90.9	90.7	84.5	83.3	81.4	80.9	80.8	80.6
USDA net removals										
Total milk equiv. (mil. lb.) 4/	14,281.6	16,813.7	8,637.0	102.5	1,451.2	1,289.6	1,143.4	755.0	718.7	732.0
Butter (mil. lb.)	382.0	413.2	202.3	-3	42.1	29.2	20.2	11.9	13.3	18.2
Am. cheese (mil. lb.)	642.5	832.8	447.3	10.7	58.3	69.1	72.7	51.0	44.7	35.6
Nonfat dry milk (mil. lb.)	948.1	1,061.0	678.4	36.9	94.5	109.3	104.7	87.2	71.4	78.9
Milk										
Total milk production (mil. lb.)	135,505	139,672	135,444	10,918	12,790	12,434	12,403	12,291	11,960	12,046
Milk per cow (lb.)	12,306	12,585	12,495	1,009	1,164	1,128	1,120	1,107	1,072	1,079
Number of milk cows (thou.)	11,011	11,098	10,840	10,821	10,984	11,025	11,070	11,103	11,154	11,160
Stocks, beginning 4/										
Total (mil. lb.)	18,377	20,054	22,646	20,742	15,023	15,480	16,045	16,130	15,834	15,288
Commercial (mil. lb.)	5,398	4,603	5,234	5,168	4,977	5,323	5,525	5,528	5,250	5,038
Government (mil. lb.)	12,980	15,451	17,412	15,573	10,046	10,157	10,520	10,602	10,585	10,250
Imports, total (mil. lb.) 4/	2,477	2,616	2,741	252	177	224	196	213	246	306
Commercial disappearance milk equiv. (mil. lb.)	122,135	122,474	126,770	10,979	10,972	10,974	11,255	11,829	11,507	11,506
Butter										
Production (mil. lb.)	1,257.0	1,299.2	1,103.3	84.4	112.9	97.3	94.7	91.3	93.6	109.0
Stocks, beginning (mil. lb.)	429.2	466.8	499.4	426.3	272.7	283.2	286.8	280.7	264.6	247.0
Commercial disappearance (mil. lb.)	897.3	881.7	902.7	89.3	65.4	68.9	73.4	90.4	80.7	87.8
American cheese										
Production (mil. lb.)	2,752.3	2,927.7	2,648.2	194.6	271.5	265.5	251.4	248.9	221.8	230.5
Stocks, beginning (mil. lb.)	889.1	981.4	1,161.5	1,114.1	857.2	878.0	925.0	941.1	946.3	933.1
Commercial disappearance (mil. lb.)	2,166.8	2,083.3	2,253.6	191.0	193.7	178.9	188.2	203.2	195.7	208.1
Other cheese										
Production (mil. lb.)	1,789.4	1,891.8	2,025.5	186.5	179.7	175.8	177.9	175.8	182.4	198.8
Stocks, beginning (mil. lb.)	86.6	82.8	104.9	97.0	106.8	108.0	107.3	110.0	106.1	99.5
Commercial disappearance (mil. lb.)	2,044.6	2,134.3	2,310.9	211.5	198.8	201.4	195.6	202.6	215.2	232.0
Nonfat dry milk										
Production (mil. lb.)	1,400.5	1,499.9	1,158.9	71.7	139.9	143.2	141.5	132.2	105.8	105.8
Stocks, beginning (mil. lb.)	889.7	1,282.0	1,405.2	1,348.6	1,089.5	1,100.3	1,085.0	1,105.6	1,068.7	1,032.2
Commercial disappearance (mil. lb.)	447.7	459.9	496.0	44.8	36.3	19.9	43.7	51.0	34.2	37.2
Frozen dessert production (mil. gal.) 5/	1,178.2	1,224.2	1,229.4	94.7	122.2	125.3	136.6	126.7	106.5	97.3

1/ Manufacturing grade milk. 2/ Pounds of 16% protein ration equal in value to 1 pound of milk. 3/ Prices paid f.o.b. Central States production area, high heat spray process. 4/ Milk-equivalent, fat-basis. 5/ Ice cream, ice milk, and hard sherbet.

## Wool

	Annual			1984	1985					
	1982	1983	1984	Oct	May	June	July	Aug	Sept	Oct
U.S. wool price, Boston 1/ (cts./lb.)	247	212	229	221	191	193	193	193	193	193
Imported wool price, Boston 2/ (cts./lb.)	262	248	241	230	190	190	195	196	194	197
U.S. mill consumption, scoured										
Apparel wool (thou. lb.)	105,857	126,729	128,982	8,512	9,284	10,644	6,526	7,640	10,523	8,233
Carpet wool (thou. lb.)	9,825	13,851	13,088	1,291	963	797	691	1,075	1,120	797

1/ Wool price delivered at U.S. mills, clean basis, Graded Territory 64's (20.60-22.04 microns) staple 2-3/4" and up.  
2/ Wool price delivered at U.S. mills, clean basis, Australian 60/62's, type 64A (24 micron). Duty since 1982 has been 10.0 cents.



Meat animals

	Annual			1984	1985					
	1982	1983	1984	Oct	May	June	July	Aug	Sept	Oct
<b>Cattle on feed (7-States)</b>										
Number on feed (thou. head) 1/	7,201	8,316	8,006	7,442	7,495	7,444	7,052	6,394	6,137	6,443
Placed on feed (thou. head)	20,261	19,727	20,772	2,546	1,666	1,267	1,073	1,502	1,988	2,779
Marketings (thou. head)	18,007	18,680	18,785	1,657	1,589	1,572	1,670	1,697	1,603	1,573
Other disappearance (thou. head)	1,139	1,354	1,376	110	128	87	61	62	79	85
Beef steer-corn price ratio,										
Omaha (bu.)2/	26.5	20.6	21.6	22.5	21.5	21.0	20.6	21.7	21.8	25.7
Hog-corn price ratio, Omaha (bu.) 2/	22.9	15.9	16.1	16.4	15.7	16.9	17.9	18.2	17.1	19.5
<b>Market prices (\$ per cwt.)</b>										
<b>Slaughter cattle:</b>										
Choice steers, Omaha	64.22	62.37	65.34	60.85	58.58	56.69	53.26	51.94	51.29	58.02
Utility cows, Omaha	39.96	39.35	39.81	38.57	41.97	39.58	36.10	35.90	34.78	53.14
Choice vealers, S. St. Paul	77.70	72.97	63.95	53.37	60.00	63.44	62.25	58.59	60.00	60.00
<b>Feeder cattle:</b>										
Choice, Kansas City, 600-700 lb.	64.82	63.70	65.28	65.06	67.04	65.40	60.76	61.52	60.25	62.37
<b>Slaughter hogs:</b>										
Barrows & gilts, 7-markets	55.44	47.71	48.86	44.50	42.17	45.68	46.99	43.50	40.38	44.09
<b>Feeder pigs:</b>										
S. Mo. 40-50 lb. (per head)	51.14	34.03	39.12	33.23	39.39	36.74	31.74	34.17	31.11	36.49
<b>Slaughter sheep &amp; lambs:</b>										
Lambs, Choice, San Angelo	56.44	57.40	62.18	64.75	73.32	63.88	71.50	71.69	69.75	67.25
Ewes, Good, San Angelo	21.80	16.85	20.90	20.30	30.10	32.88	37.94	32.50	33.62	30.25
<b>Feeder lambs:</b>										
Choice, San Angelo	53.31	54.87	61.02	65.17	74.25	71.84	73.82	74.34	76.50	81.65
<b>Wholesale meat prices, Midwest</b>										
Choice steer beef, 600-700 lb.	101.31	97.83	98.01	92.38	89.52	88.48	82.22	80.02	81.14	91.11
Canner & Cutter cow beef	78.96	78.48	74.70	70.27	78.06	75.41	73.32	74.02	70.23	68.12
Pork loins, 8-14 lb. 3/	111.51	—	96.36	86.07	84.03	90.59	96.85	93.77	89.44	97.85
Pork bellies, 12-14 lb.	76.54	60.58	60.08	52.80	58.64	70.15	62.53	54.17	51.40	52.09
Hams, skinned, 14-17 lb.	91.47	75.60	78.22	79.38	63.07	63.44	65.79	63.92	65.00	72.00
<b>Commercial slaughter (thou. head)*</b>										
<b>Cattle</b>										
Steers	35,843	36,649	37,570	3,478	3,173	2,878	3,139	3,215	2,998	3,242
Heifers	17,277	17,486	17,474	1,511	1,553	1,434	1,523	1,519	1,397	1,408
Cows	10,394	10,758	10,691	1,048	981	873	987	1,060	978	1,024
Bulls & stags	7,354	7,597	8,617	844	567	509	562	569	560	737
Calves	818	808	788	75	72	62	67	67	63	72
Sheep & lambs	3,021	3,076	3,292	308	264	235	291	289	292	319
Hogs	6,449	6,619	6,758	608	509	438	502	517	497	571
	82,190	87,584	85,156	8,152	7,563	6,394	6,600	7,017	6,941	7,789
<b>Commercial production (mil. lb.)</b>										
Beef	22,366	23,058	23,410	2,182	2,088	1,894	2,059	2,122	1,985	2,109
Veal	423	429	477	46	42	37	43	41	42	46
Lamb & mutton	356	368	372	33	29	24	28	29	28	33
Pork	14,121	15,120	14,718	1,411	1,328	1,125	1,146	1,210	1,196	1,358

	Annual			1984	1985					
	1982	1983	1984	I	III	IV	I	II	III	IV
<b>Cattle on feed (13-States)</b>										
Number on feed (thou. head) 1/	9,028	10,271	9,908	9,340	8,700	9,000	10,635	9,676	8,660	7,914
Placed on feed (thou. head)	24,414	23,776	24,884	5,562	6,252	7,559	5,321	5,186	5,465	—
Marketings (thou. head)	21,799	22,548	22,525	5,620	5,684	5,507	5,907	5,763	5,967	5,276
Other disappearance (thou. head)	1,373	1,591	1,632	582	268	417	373	439	244	—
<b>Hogs &amp; pigs (10-States) 4/</b>										
Inventory (thou. head) 1/	42,890	44,150	42,420	40,070	41,915	43,180	42,420	39,530	41,450	41,820
Brooding (thou. head) 1/	5,708	5,638	5,348	5,446	5,771	5,550	5,348	5,215	5,597	5,377
Market (thou. head) 1/	37,182	38,512	37,072	34,624	36,144	37,630	37,072	34,315	36,053	36,443
Farrowings (thou. head)	9,062	9,735	9,020	2,481	2,259	2,316	1,935	2,420	2,191	2,268
Pig crop (thou. head)	66,797	72,733	67,680	18,814	17,158	17,420	14,538	18,762	16,941	—

1/ Beginning of period. 2/ Bushels of corn equal in value to 100 pounds live-weight. 3/ Beginning January 1984 prices are for 14-17 lbs. 4/ Quarters are Dec. preceding year-Feb. (I), Mar.-May (II), June-Aug. (III), and Sept.-Nov. (IV). 5/ Intentions. \*Classes estimated.

# Supply and Utilization: Crops

## Supply and utilization: domestic measure<sup>1</sup>

	Area		Yield	Production	Total supply 2/	Feed and residual	Other domestic use	Exports	Total use	Ending stocks	Farm price 3/
	Planted	Harvested									
	Mil. acres	Bu/acre					Mil. bu				\$/bu
<b>Wheat</b>											
1981/82	88.3	80.6	34.5	2,785	3,777	135	712	1,771	2,618	1,159	3.65
1982/83	86.2	77.9	35.5	2,765	3,932	195	713	1,509	2,417	1,515	3.55
1983/84*	76.4	61.4	39.4	2,420	3,939	376	735	1,429	2,540	1,399	3.53
1984/85*	79.2	66.9	38.8	2,595	4,003	411	743	1,424	2,578	1,425	3.38
1985/86*	75.8	64.6	37.4	2,419	3,852	350	760	1,000	2,110	1,742	3.00-3.20
	Mil. acres	lb/acre					Mil. cwt (rough equiv.)				\$/cwt
<b>Rice</b>											
1981/82	3.83	3.79	4,819	182.7	199.6	4/ 9.0	59.6	82.0	150.6	49.0	9.05
1982/83	3.30	3.26	4,710	153.6	203.4	4/ 8.9	54.0	68.9	131.8	71.5	8.11
1983/84*	2.19	2.17	4,598	99.7	171.9	4/ 5.6	49.1	70.3	125.0	46.9	8.76
1984/85*	2.60	2.78	4,926	137.0	185.4	4/ 6.2	52.4	62.1	120.7	64.7	8.25
1985/86*	2.47	2.43	5,413	131.5	198.2	4/ 6.0	54.0	57.0	117.0	81.2	7.75-8.75
	Mil. acres	Bu/acre					Mil. bu				\$/bu
<b>Corn</b>											
1981/82	84.1	74.5	108.9	8,119	9,154	4,202	812	1,967	6,980	2,174	2.50
1982/83	81.9	72.7	113.2	8,235	10,410	4,522	898	1,870	7,290	3,120	2.68
1983/84*	60.2	51.5	81.1	4,175	7,297	3,736	973	1,865	6,574	723	3.25
1984/85*	80.4	71.8	106.6	7,656	8,383	4,100	1,065	1,838	7,003	1,379	2.65
1985/86*	83.2	74.8	116.6	8,717	10,097	4,500	1,120	1,625	7,045	3,052	2.35-2.55
	Mil. acres	Bu/acre					Mil. bu				\$/bu
<b>Sorghum</b>											
1981/82	15.9	13.7	64.0	876	984	428	11	249	688	296	2.38
1982/83	16.0	14.1	59.1	835	1,131	507	10	214	731	400	2.52
1983/84*	11.9	10.0	48.7	488	888	381	10	246	637	251	2.84
1984/85*	17.2	15.3	56.4	866	1,117	526	20	299	846	271	2.40
1985/86*	17.9	16.2	69.6	1,127	1,398	550	20	275	845	553	2.15-2.35
	Mil. acres	Bu/acre					Mil. bu				\$/bu
<b>Barley</b>											
1981/82	9.6	9.0	52.4	474	620	198	174	100	473	148	2.44
1982/83	9.5	9.0	57.2	516	675	241	170	47	458	217	2.22
1983/84*	10.4	9.7	52.3	509	733	283	169	92	544	189	2.50
1984/85*	11.9	11.2	53.4	597	796	302	170	77	549	247	2.30
1985/86*	13.1	11.8	50.9	599	853	300	170	30	500	353	1.95-2.15
	Mil. acres	Bu/acre					Mil. bu				\$/bu
<b>Oats</b>											
1981/82	13.6	9.4	54.2	510	688	453	76	7	536	152	1.89
1982/83	14.0	10.3	57.8	593	749	441	85	3	529	220	1.49
1983/84*	20.3	9.1	52.6	477	727	466	78	2	546	181	1.67
1984/85*	12.4	8.1	58.1	472	687	432	74	1	507	180	1.71
1985/86*	13.1	8.8	61.4	537	742	425	80	2	507	235	1.20-1.40
	Mil. acres	Bu/acre					Mil. bu				\$/bu
<b>Soybeans</b>											
1981/82	67.8	66.4	30.1	2,000	2,318	5/ 93	1,030	929	2,052	266	6.04
1982/83	70.9	69.4	31.5	2,190	2,444	5/ 86	1,108	905	2,099	345	5.69
1983/84*	63.8	62.5	26.2	1,636	1,981	5/ 79	983	743	1,805	176	7.81
1984/85*	67.7	66.1	28.1	1,861	2,037	5/ 91	1,030	598	1,719	318	5.85
1985/86*	63.2	62.2	34.2	2,129	2,447	5/ 87	1,070	675	1,832	615	5.00-5.30
							Mil. lbs				¢/lb
<b>Soybean oil</b>											
1981/82	---	---	---	10,979	12,715	---	9,535	2,077	11,612	1,103	19.0
1982/83	---	---	---	12,041	13,144	---	9,858	2,025	11,883	1,261	20.6
1983/84*	---	---	---	10,872	12,133	---	9,588	1,824	11,412	721	30.6
1984/85*	---	---	---	11,468	12,209	---	9,909	1,660	11,569	640	29.5
1985/86*	---	---	---	11,663	12,295	---	9,950	1,450	11,400	895	20.0-24.0
							Thou. tons				\$/ton
<b>Soybean meal</b>											
1981/82	---	---	---	24,634	24,797	---	17,714	6,908	24,622	175	183
1982/83	---	---	---	26,714	26,889	---	19,306	7,109	26,415	474	187
1983/84*	---	---	---	22,756	23,230	---	17,615	5,360	22,977	255	188
1984/85*	---	---	---	24,529	24,784	---	19,480	4,917	24,397	387	125
1985/86*	---	---	---	25,313	25,700	---	19,800	5,500	25,300	400	120-150

See footnotes at end of table.



# Supply and utilization: domestic measure, continued

	Area		Yield	Production	Total supply 2/	Feed and residual	Other domestic use	Exports	Total use	Ending stocks	Farm price 3/
	Planted	Harvested									
	Mil. acres	lb/acre									
Cotton							Mil. bales				¢/lb
1981/82	14.3	13.8	542	15.6	18.3	—	5.3	6.6	11.8	6/ 6.6	54.0
1982/83	11.3	9.7	590	12.0	18.6	—	5.5	5.2	10.7	6/ 7.9	59.1
1983/84*	7.9	7.3	508	7.8	15.7	—	5.9	6.8	12.7	6/ 2.8	66.4
1984/85*	11.1	10.4	600	13.0	15.8	—	5.5	6.2	11.7	6/ 4.1	8/ 58.7
1985/86*	10.7	10.3	641	13.8	17.9	—	6.0	3.1	9.1	6/ 9.0	—

# Supply and utilization: metric measure<sup>7</sup>

	Mil. hectares		Metric tons/ha		Mil. metric tons						\$ /metric ton	
Wheat												
1981/82	35.7	32.6	2.32	75.8	102.8	3.7	19.4	48.2	71.3	31.5	134	
1982/83	34.9	31.5	2.39	75.3	107.0	5.3	19.4	41.1	65.8	41.2	130	
1983/84*	30.9	24.8	2.65	65.9	107.2	10.2	20.0	38.9	69.1	38.1	150	
1984/85*	32.1	27.1	2.61	70.6	108.9	11.1	20.2	38.7	70.2	38.7	124	
1985/86*	30.6	26.1	2.51	65.8	104.8	9.5	20.7	27.2	57.4	47.4	110-117	
	Mil. metric tons (rough equiv.)											
Rice												
1981/82	1.5	1.5	5.40	8.3	9.0	4/ 0.4	2.7	3.7	6.8	2.2	200	
1982/83	1.3	1.3	5.28	7.0	9.2	4/ 0.4	2.5	3.1	6.0	3.2	179	
1983/84*	0.9	0.9	5.15	4.5	7.8	4/ 0.2	2.2	3.2	5.7	2.1	193	
1984/85*	1.1	1.1	5.52	6.2	8.4	4/ 0.3	2.4	2.8	5.5	2.9	182	
1985/86*	1.0	1.0	5.96	6.0	9.1	4/ 0.3	2.5	2.6	5.3	3.7	171-193	
	Mil. metric tons											
Corn												
1981/82	34.0	30.1	6.85	206.2	232.5	106.7	20.6	50.0	177.3	55.2	98	
1982/83	33.1	29.4	7.12	209.2	264.4	114.9	22.8	47.5	185.2	79.2	106	
1983/84*	24.4	20.8	5.10	106.0	185.4	94.9	24.7	47.4	167.0	18.4	128	
1984/85*	32.5	29.1	6.68	194.5	212.9	105.4	27.1	47.0	179.5	33.5	104	
1985/86*	33.7	30.3	7.31	221.4	256.5	109.2	28.4	41.3	179.0	77.5	93-100	
Feed Grains												
1981/82	49.9	43.1	5.71	246.2	281.1	128.5	25.8	58.6	212.9	68.2	---	
1982/83	49.1	42.9	5.83	250.2	318.7	139.4	28.0	54.0	221.4	97.3	---	
1983/84*	41.6	32.5	4.20	136.4	234.4	117.5	29.8	55.7	202.9	31.5	---	
1984/85*	49.3	43.1	5.48	236.3	268.6	130.4	32.3	56.0	218.7	49.9	---	
1985/86*	51.5	45.1	6.01	270.9	321.4	135.9	33.8	48.9	218.7	102.7	---	
Soybeans												
1981/82	27.4	26.9	2.03	54.4	63.1	5/ 2.5	28.0	25.3	55.8	7.2	222	
1982/83	28.7	28.1	2.15	59.6	66.5	5/ 2.4	30.2	24.6	57.1	9.4	209	
1983/84*	25.8	25.3	1.23	44.5	53.9	5/ 2.2	26.8	20.2	49.1	4.8	286	
1984/85*	27.4	26.7	1.14	50.6	55.4	5/ 2.4	28.0	16.3	46.8	8.6	214	
1985/86*	25.5	25.2	2.30	57.9	66.6	5/ 2.4	29.1	18.4	49.8	16.7	183-194	
Soybean oil												
1981/82	---	---	---	4.98	5.77	---	4.33	.94	5.27	.50	419	
1982/83	---	---	---	5.46	5.96	---	4.47	.92	5.39	.57	454	
1983/84*	---	---	---	4.93	5.50	---	4.35	.83	5.17	.32	675	
1984/85*	---	---	---	5.20	5.54	---	4.49	.75	5.25	.29	650	
1985/86*	---	---	---	5.29	5.58	---	4.51	.66	5.17	.41	441-530	
Soybean meal												
1981/82	---	---	---	22.36	22.51	---	16.08	6.27	22.35	.16	201	
1982/83	---	---	---	24.24	24.39	---	17.52	6.45	23.96	.43	206	
1983/84*	---	---	---	20.64	21.07	---	15.98	4.86	20.84	.23	207	
1984/85*	---	---	---	22.25	22.48	---	17.67	4.46	22.13	.35	137	
1985/86*	---	---	---	22.96	23.31	---	17.96	4.99	22.95	.36	132-165	

\*December 10, 1985 Supply and Demand Estimates. 1/ Marketing year beginning June 1 for wheat, barley, and oats, August 1 for cotton and rice, September 1 for soybeans, and October 1 for corn, sorghum, soybean meal, and soybean oil. 2/ Includes imports. 3/ Season average. 4/ Statistical discrepancy. 5/ Includes seed. 6/ Upland and extra long staple. Stock estimates based on Census Bureau data which results in an unaccounted difference between supply and use estimates and changes in ending stocks. 7/ Conversion factors: Hectare (ha.) = 2.471 acres, 1 metric ton = 2204.622 pounds, 36.7437 bushels of wheat or soybeans, 39.3679 bushels of corn or sorghum, 45.9296 bushels of barley, 68.8944 bushels of oats, 22.046 cwt. of rice, and 4.59 480-pound bales of cotton. 8/ Weighted avg.

# Crops and Products

## Food grains

	Marketing year 1/			1984		1985				
	1981/82	1982/83	1983/84	Oct	May	June	July	Aug	Sept	Oct
<b>Wholesale prices</b>										
Wheat, No. 1 HRW, Kansas City (\$/bu.) 2/	4.27	3.94	3.83	3.86	3.34	3.38	3.17	3.03	3.07	3.15
Wheat, DNS, Minneapolis (\$/bu.) 2/	4.17	3.94	4.21	3.64	3.35	3.54	3.29	2.87	2.97	3.01
Rice, S.W. La. (\$/cwt.) 3/	20.20	18.00	19.38	17.60	18.00	18.00	17.67	17.50	17.50	17.50
<b>Wheat</b>										
Exports (mil. bu.)	1,771	1,509	1,429	141	63	90	69	90	77	87
Mill grind (mil. bu.)	631	656	694	59	58	54	54	61	59	n.a.
Wheat flour production (mil. cwt.)	280	292	308	26	26	24	24	27	27	n.a.

	Marketing year 1/			1984				1985		
	1981/82	1982/83	1983/84	Jan-Mar	Apr-May	June-Sept	Oct-Dec	Jan-Mar	Apr-May	June-Sept
<b>Wheat</b>										
Stocks, beginning (mil. bu.)	989	1,159	1,515	2,326	1,756	1,398	2,740	2,141	1,667	1,425.3
<b>Domestic use</b>										
Food (mil. bu.)	602	616	635	163	102	212	167	165	105.5	222.7
Feed & seed (mil. bu.) 4/	254	318	477	44	31	395	59	44	0	366.1
Exports (mil. bu.)	1,771	1,509	1,429	364	226	645	374	266	139.1	326.6

1/ Beginning June 1 for wheat and August 1 for rice. 2/ Ordinary protein. 3/ Long-grain, milled basis. 4/ Feed use approximated by residual. n.a. = not available.

## Feed grains

	Marketing year 1/			1984		1985				
	1981/82	1982/83	1983/84	Oct	May	June	July	Aug	Sept	Oct
<b>Wholesale prices</b>										
Corn, No. 2 yellow, St. Louis (\$/bu.)	2.61	2.98	3.45	2.84	2.81	2.79	2.72	2.47	2.38	2.27
Sorghum, No. 2 yellow, Kansas City (\$/cwt.)	4.28	4.92	5.13	4.38	4.74	4.74	4.50	4.06	3.56	3.62
Barley, feed, Minneapolis (\$/bu.)	2.23	1.76	2.48	2.10	2.05	1.90	1.66	1.46	1.40	1.41
Barley, malting, Minneapolis (\$/bu.)	3.06	2.53	2.84	2.43	2.55	2.46	2.25	2.03	2.15	2.10
<b>Exports</b>										
Corn (mil. bu.)	1,967	1,870	1,865	155	138	108	97	92	81	126
Feed grains (mil. metric tons) 2/	58.4	54.0	55.8	5.1	4.0	3.4	3.0	2.9	2.8	3.9

	Marketing year 1/			1984				1985		
	1981/82	1982/83	1983/84	Jan-Mar	Apr-May	June-Sept	Oct-Dec	Jan-Mar	Apr-May	June-Sept
<b>Corn</b>										
Stocks, beginning (mil. bu.)	1,034	2,174	3,120	4,913	3,251	2,145	723	5,856	3,961	2,832
<b>Domestic use:</b>										
Food (mil. bu.)	4,202	4,522	3,736	969	580	553	1,683	1,147	618	653
Food, seed, ind. (mil. bu.)	812	898	973	184	187	383	235	201	205	423
<b>Feed grains 2/</b>										
Stocks, beginning (mil. metric tons)	34.6	68.2	97.3	154.9	104.3	70.6	44.1	181.9	123.5	89.1
<b>Domestic use:</b>										
Feed (mil. metric tons)	128.5	139.5	117.4	29.4	18.1	20.3	53.6	35.9	19.1	21.8
Food, seed, ind. (mil. metric tons)	25.8	27.9	29.8	5.9	6.1	11.2	7.1	6.3	6.7	12.3

1/ Beginning October 1 for corn and sorghum; June 1 for oats and barley. 2/ Aggregated data for corn, sorghum, oats, and barley.



## Fats and oils

	Marketing year 1/			1984	1985					
	1982/83	1983/84	1984/85	Oct	May	June	July	Aug	Sept	Oct
<b>Soybeans</b>										
Wholesale price, No. 1 yellow, Chicago (\$/bu.) 2/	6.11	7.78	5.88	6.21	5.76	5.78	5.58	5.20	5.15	5.07
Crushings (mil. bu.)	1,108.0	983	1,030.5	89.2	89.3	82.7	81.9	77.5	76.5	94.3
Exports (mil. bu.)	905.2	740.3	600.7	40.9	33.1	18.2	19.2	26.3	31.5	55.3
<b>Soybean oil</b>										
Wholesale price, crude, Decatur (cts./lb.)	20.6	30.55	29.50	30.56	32.49	32.46	29.07	24.08	22.54	20.71
Production (mil. lb.)	12,040.4	10,872.0	10,614.5	995.4	983.3	918.8	912.6	868.8	855.4	1,040.3
Domestic disp. (mil. lb.)	9,857.3	9,598	9,777.9	918.4	890.0	754.8	745.9	807.1	826.3	1,555.0
Exports (mil. lb.)	2,024.7	1,814	1,557.1	200.3	52.4	138.8	174.4	70.1	102.7	125.4
Stocks, beginning (mil. lb.)	1,102.5	1,261	720.5	720.5	665.9	706.7	731.9	724.2	715.7	640.1
<b>Soybean meal</b>										
Wholesale price, 44% protein, Decatur (\$/ton)	187.19	188.21	117.08	141.60	111.50	110.25	114.00	121.40	130.60	138.30
Production (thou. ton)	26,713.6	22,756.2	22,729.1	2,107.6	2,100.9	1,952.7	1,934.0	1,831.6	1,800.6	2,199.2
Domestic disp. (thou. ton)	19,306.0	17,541.0	18,479.7	1,870.7	1,705.6	1,525.9	1,602.4	1,571.5	1,460.0	1,876.9
Exports (thou. ton)	7,108.7	5,436.1	4,504.8	256.2	331.3	353.0	338.7	364.4	411.7	397.8
Stocks, beginning (thou. ton)	175.2	474	255.4	255.4	429.8	495.8	569.6	562.5	458.0	386.9
<b>Margarine, wholesale price, Chicago (cts./lb.)</b>	41.1	46.3	55.4	53.50	55.50	55.50	54.30	52.00	49.10	45.69

1/ Beginning September 1 for soybeans; October 1 for soybean meal and oil; calendar year for margarine. 2/ Beginning April 1, 1982, prices based on 30-day delivery, using upper end of the range.

## Cotton

	Marketing year 1/			1984	1985					
	1981/82	1982/83	1983/84	Oct	May	June	July	Aug	Sept	Oct
<b>U.S. price, SLM, 1-1/16 in. (cts./lb.) 2/</b>	60.5	63.1	73.1	61.2	60.1	59.8	59.5	57.9	56.4	56.1
<b>Northern Europe prices:</b>										
Index (cts./lb.) 3/	73.8	76.7	87.6	73.6	65.1	62.8	61.1	57.0	53.4	49.0
U.S. M 1-3/32" (cts./lb.) 4/	75.9	78.0	87.1	74.7	74.8	72.4	70.4	68.2	67.9	68.6
<b>U.S. mill consumption (thou. bales)</b>	5,263.8	5,512.8	5,883.5	447.9	459.8	550.0	387.0	480.1	589.1	516.0
<b>Exports (thou. bales)</b>	6,567.3	5,206.8	6,786.0	307.0	453.0	375.3	268.0	206.9	200.3	218.0

1/ Beginning August 1. 2/ Average spot market. 3/ Liverpool Outlook "A" index; average of five lowest prices of 10 selected growths. 4/ Memphis territory growths.

## Fruit

	Annual			1984	1985					
	1982	1983	1984	Oct	May	June	July	Aug	Sept	Oct
<b>Producer price indexes</b>										
Fresh fruit (1967=100)	235.4	250.6	260.2	272.5	244.6	242.1	239.2	269.4	249.9	244.0
Dried fruit (1967=100)	409.7	409.3	385.2	351.1	362.2	362.2	362.2	362.2	369.1	368.9
Canned fruit & juice (1967=100)	283.7	286.8	312.5	316.8	325.0	326.8	328.1	328.2	324.6	321.1
Frozen fruit & juice (1967=100)	305.5	300.9	350.8	365.7	375.5	371.5	369.9	364.6	362.2	353.6
<b>F.o.b. shipping point prices</b>										
Apples, Yakima Valley (\$/ctn.) 1/	n.a.	n.a.	n.a.	13.75	16.47	16.30	15.63	14.13	16.17	14.50
Pears, Yakima Valley (\$/box) 2/	n.a.	n.a.	n.a.	12.67	12.14	23.50	n.a.	15.00	13.88	14.00
Oranges, U.S. avg. (\$/box) 3/	11.10	14.40	15.20	24.40	16.50	16.50	15.90	15.80	13.90	13.70
Grapefruit, U.S. avg. (\$/box) 3/	9.03	9.13	10.10	11.50	13.50	14.80	15.10	14.50	14.44	11.30
	Year ending			1984	1985					
	1982	1983	1984	Oct	May	June	July	Aug	Sept	Oct
<b>Stocks, ending</b>										
Fresh apples (mil. lb.)	3,082.3	2,980.1	3,171.5	4,154.1	485.1	291.2	132.4	34.4	1,712.2	3,639.6
Fresh pears (mil. lb.)	180.9	250.6	184.9	305.6	10.3	1.5	5.1	92.5	398.7	298.9
Frozen fruit (mil. lb.)	627.5	644.7	694.5	771.4	442.2	527.4	707.0	733.8	760.1	821.1
Frozen fruit juices (mil. lb.)	1,157.6	924.9	941.9	873.5	1,632.2	1,430.2	1,405.9	1,286.2	1,199.6	1,089.1

1/ Red Delicious, Washington, extra fancy, carton tray pack, 80-113's. 2/ O'Anjou, Washington, standard box wrapped, U.S. No. 1, 90-135's. 3/ F.O.B. packed fresh. n.a. = not available.

## Vegetables

	Annual			1984	1985					
	1982	1983	1984	Oct	May	June	July	Aug	Sept	Oct
Wholesale prices										
Potatoes, white, f.o.b. East (\$/cwt.)	6.05	7.76	8.16	5.33	8.15	6.56	3.25	3.13	2.85	3.68
Iceberg lettuce (\$/crt.) 1/	5.92	6.29	5.08	9.50	3.92	2.90	5.62	6.18	5.50	4.34
Tomatoes (\$/crt.) 2/	7.40	8.69	8.52	4.46	4.17	5.81	4.55	3.98	3.38	4.86
Wholesale price index, 10 canned veg. (1977=100)	137	138	145	147	144	143	143	143	135	130
Grower price index, fresh commercial veg. (1977=100)	120	129	133	138	106	89	125	117	105	103

1/ Std. carton 24's f.o.b. shipping point. 2/ 5 x 6 - 6 x 6, f.o.b. Fla-Cal.

## Tobacco

	Annual			1984	1985					
	1982	1983	1984	Oct	May	June	July	Aug	Sept	Oct
Prices at auctions 1/										
Flue-cured (cts./lb.)	178.6	177.9	181.0	1.84	---	---	---	1.61	1.79	1.80
Burley (cts./lb.)	180.3	179.5	187.6	---	---	---	---	---	---	---
Domestic consumption 2/										
Cigarettes (bil.)	634.0	600.0	600.4	65.4	52.0	57.4	50.8	58.9	55.1	---
Large cigars (mil.)	3,667	3,605	3,491	320.1	293.4	299.3	232.9	296.1	300.5	---

1/ Crop year July-June for flue-cured, October-September for burley. 2/ Taxable removals.

## Sugar

	Annual			1984	1985					
	1982	1983	1984	Oct	May	June	July	Aug	Sept	Oct
U.S. raw sugar price, N.Y. (cts./lb.) 1/	19.92	22.04	21.74	21.56	21.09	21.27	21.23	20.59	19.51	18.68
U.S. deliveries (thou. short tons) 2/	9,153	8,812	8,435	2,231	n.a.	1,952	n.a.	n.a.	2,150	n.a.

1/ Spot price reported by (New York) Coffee, Sugar, and Cocoa Exchange, Inc. After May 1985, price based on nearby futures prices, Connell Commodities, Company. 2/ Raw value. Quarterly data shown at end of quarter in March, June, Sept., & Dec. Excludes Hawaii. n.a. = not available.

## Coffee

	Annual			1984	1985					
	1982	1983	1984	Oct	May	June	July	Aug	Sept	Oct p
Composite green price, N.Y. (cts./lb.)	132.00	131.51	142.95	137.72	134.64	134.83	125.70	124.99	123.79	131.64
Imports, green bean equivalent (mil. lb.) 1/	2,352	2,260	2,414	218	175	235	166	238	248	189
	Annual			1984	1985					
	1982	1983	1984	Jan-Mar <sup>p</sup>	Apr-June	July-Sept	Oct-Dec	Jan-Mar	Apr-June	July-Sept p
Roastings (mil. lb.) 2/	2,293	2,238	2,287	575	518	557	637	573	490	540

1/ Green and processed coffee. 2/ Instant soluble and roasted coffee. p = preliminary.



# General Economic Data

## Gross national product and related data

	Annual			1984		1985		
	1982	1983	1984	III	IV	I	II	III r
\$ Bil. (Quarterly data seasonally adjusted at annual rates)								
Gross national product 1/	3,069.3	3,304.8	3,662.8	3,694.6	3,758.7	3,810.6	3,853.1	3,915.9
Personal consumption expenditures	1,984.9	2,155.9	2,341.8	2,361.4	2,396.5	2,446.5	2,493.0	2,539.0
Durable goods	245.1	279.8	318.8	317.2	326.3	334.8	339.2	356.8
Nondurable goods	757.5	801.7	856.9	861.4	866.5	877.3	891.9	896.8
Clothing & shoes	118.8	127.0	140.2	139.3	143.2	145.5	149.2	148.5
Food & beverages	392.8	416.5	443.6	448.6	449.8	457.3	463.9	467.6
Services	982.2	1,074.4	1,166.1	1,182.8	1,203.8	1,234.4	1,261.9	1,285.3
Gross private domestic investment	414.9	471.6	637.8	662.8	637.8	646.8	643.2	631.5
Fixed investment	441.0	485.1	579.6	591.0	601.1	606.1	625.3	631.8
Nonresidential	349.6	352.9	425.7	435.7	447.7	450.9	467.3	468.6
Residential	91.4	132.2	153.9	155.3	153.5	155.2	158.0	163.2
Change in business inventories	-26.1	-13.5	58.2	71.8	36.6	40.7	17.9	-0.3
Net exports of goods & services	19.0	-8.3	-64.2	-90.6	-56.0	-74.5	-94.0	-104.0
Exports	348.4	336.2	364.3	368.6	367.2	360.7	347.7	346.8
Imports	329.4	344.4	428.5	459.3	423.2	435.2	441.6	450.8
Government purchases of goods & services	650.5	685.5	747.4	761.0	780.5	791.9	810.9	849.5
Federal	258.9	269.7	295.4	302.0	315.7	319.9	324.2	350.6
State & local	391.5	415.8	452.0	458.9	464.8	472.0	486.7	498.8
1972 \$ Bil. (Quarterly data seasonally adjusted at annual rates)								
Gross national product	1,480.0	1,534.7	1,639.3	1,645.2	1,662.4	1,663.5	1,671.3	1,688.9
Personal consumption expenditures	963.3	1,009.2	1,062.4	1,065.9	1,075.4	1,089.1	1,102.1	1,116.5
Durable goods	140.5	157.5	178.0	177.0	182.9	187.0	190.1	200.3
Nondurable goods	363.1	376.3	393.5	395.5	395.0	398.6	403.2	404.5
Clothing & shoes	84.2	88.5	96.5	95.9	96.9	97.9	99.8	99.5
Food & beverages	182.3	188.9	193.4	195.6	194.7	196.8	199.8	201.0
Services	459.8	475.4	490.8	493.5	497.5	503.5	508.7	511.7
Gross private domestic investment	194.3	221.0	289.9	300.2	289.9	292.1	289.5	283.4
Fixed investment	204.7	224.6	265.1	269.6	273.1	273.0	281.2	280.8
Nonresidential	166.9	171.0	204.9	209.5	213.8	213.0	220.3	218.2
Residential	37.9	53.7	60.2	60.1	59.2	60.0	60.9	62.6
Change in business inventories	-10.4	-3.6	24.8	30.6	16.8	19.1	8.3	2.5
Net exports of goods & services	29.7	12.6	-15.0	-27.0	-13.4	-28.4	-33.8	-38.4
Exports	147.6	139.5	146.0	147.4	147.1	143.7	137.9	138.0
Imports	118.0	126.9	161.1	174.4	160.5	172.1	171.8	176.4
Government purchases of goods & services	292.7	291.9	302.1	306.1	310.5	310.7	313.5	327.5
Federal	117.0	116.2	122.5	125.0	129.6	129.8	129.7	141.3
State & local	175.7	175.7	179.6	181.1	180.9	180.9	183.9	186.2
New plant & equipment expenditures (\$bil.)	310.58	304.78	354.44	361.48	368.29	371.16	387.83	389.54
Implicit price deflator for GNP (1972=100)	207.38	215.34	223.43	224.57	226.10	229.07	230.55	231.86
Disposable income (\$bil.)	2,180.5	2,340.1	2,576.8	2,606.4	2,644.5	2,654.8	2,726.5	2,710.7
Disposable income (1972 \$bil.)	1,058.3	1,095.4	1,169.0	1,176.5	1,186.7	1,181.9	1,205.3	1,192.1
Per capita disposable income (\$)	9,385	9,977	10,887	11,000	11,133	11,154	11,432	11,338
Per capita disposable income (1972 \$)	4,555	4,670	4,939	4,965	4,996	4,965	5,054	4,986
U.S. population, total, incl. military abroad (mil.)	232.3	234.5	236.7	237.0	237.6	238.1	238.5	239.1
Civilian population (mil.)	230.2	232.3	234.4	234.8	235.3	235.8	236.3	236.9

See footnotes at end of next table.

## Selected monthly indicators

	Annual			1984		1985				
	1982	1983	1984	Oct	May	June	July	Aug	Sept	Oct p
Monthly data seasonally adjusted except as noted										
Industrial production, total 7/ (1977=100)	103.1	109.2	121.8	122.7	124.1	124.3	124.1	125.0	124.9	124.9
Manufacturing (1977=100)	102.2	110.2	123.9	125.5	126.6	126.7	126.9	128.1	127.9	127.9
Durable (1977=100)	99.9	107.7	124.8	127.0	127.9	127.6	127.9	129.3	128.7	128.5
Nondurable (1977=100)	105.5	113.7	122.5	123.3	124.7	125.5	125.6	126.6	126.8	127.0
Leading economic indicators 1/ 3/ (1967=100)	136.8	156.0	165.7	164.2	167.3	167.5	168.6	170.0	170.6	171.1
Employment 4/ (mil. persons)	99.5	100.8	105.0	105.6	107.0	106.4	106.9	107.2	107.5	107.9
Unemployment rate 4/ (%)	9.7	9.6	7.5	7.3	7.3	7.3	7.3	7.0	7.1	7.1
Personal income 1/ (\$ bil., annual total)	2,584.6	2,744.2	3,012.1	3,079.3	3,163.7	3,175.7	3,188.4	3,196.4	3,207.4	3,220.5
Hourly earnings in manufacturing 4/ 5/ (\$)	8.49	8.83	9.17	9.24	9.48	9.50	9.53	9.48	9.54	9.54
Money stock-M1 (daily avg.) (\$bil.) 2/	6/ 480.8	6/ 528.0	6/ 558.5	548.3	581.6	591.2	595.8	605.9	611.9	611.1
Money stock-M2 (daily avg.) (\$bil.) 2/	6/ 1,954.9	6/ 2,188.8	6/ 2,371.7	2,319.3	2,444.9	2,472.9	2,490.6	2,514.0	2,528.7	2,535.3
Three-month Treasury bill rate 2/ (%)	10.686	8.63	9.58	9.97	7.56	7.01	7.05	7.18	7.08	7.17
Aaa corporate bond yield (Moody's) 5/ 7/ (%)	13.79	12.04	12.71	12.63	11.72	10.94	10.97	11.05	11.07	11.02
Interest rate on new home mortgages 5/ 8/ (%)	15.14	12.57	12.38	12.77	12.01	11.75	11.34	11.24	11.17	11.02
Housing starts, private (incl. farm) (thou.)	1,062	1,703	1,750	1,564	1,681	1,701	1,663	1,740	1,589	1,760
Auto sales at retail, total 1/ (mil.)	8.0	9.2	10.4	10.0	11.3	10.3	10.3	12.6	14.4	9.6
Business sales, total 1/ (\$ bil.)	344.7	368.7	411.7	414.2	428.3	418.4	422.5	430.4	428.5 p	—
Business inventories, total 1/ (\$ bil.)	9/ 509.2	9/ 520.3	9/ 575.4	568.8	577.8	579.7	580.1	578.2	579.5 p	—
Sales of all retail stores (\$ bil.) 10/	89.3	97.9	108.1	109.0	114.9	113.7	114.4	117.0	119.4 p	115.5
Durable goods stores (\$ bil.)	28.1	33.0	38.7	39.3	42.8	42.1	42.3	44.3	46.4 p	42.7
Nondurable goods stores (\$ bil.)	61.3	64.8	69.4	69.7	72.1	71.7	72.1	72.7	73.0 p	72.8
Food stores (\$ bil.)	20.4	21.2	22.5	22.8	23.5	23.4	23.5	23.4	23.8 p	23.5
Eating & drinking places (\$ bil.)	8.7	9.6	10.3	10.3	11.0	10.9	10.9	10.9	10.9 p	11.2
Apparel & accessory stores (\$ bil.)	4.6	5.0	5.6	5.6	5.9	5.9	5.9	6.1	6.1 p	6.1

1/ Department of Commerce. 2/ Board of Governors of the Federal Reserve System. 3/ Composite index of 12 leading indicators. 4/ Department of Labor, Bureau of Labor Statistics. 5/ Not seasonally adjusted. 6/ December of the year listed. 7/ Moody's Investors Service. 8/ Federal Home Loan Bank Board. 9/ Book value, end of period. 10/ Adjusted for seasonal variations, holidays, and trading day differences. p = preliminary. r = revised.

## U.S. Agricultural Trade

### Prices of principal U.S. agricultural trade products

	Annual			1984		1985				
	1982	1983	1984	Oct	May	June	July	Aug	Sept	Oct
<b>Export commodities</b>										
Wheat, f.o.b. vessel, Gulf ports (\$/bu.)	4.38	4.30	4.17	4.20	3.77	3.65	3.53	3.39	3.47	3.51
Corn, f.o.b. vessel, Gulf ports (\$/bu.)	2.80	3.49	3.50	3.12	3.00	2.97	2.96	2.68	2.62	2.53
Grain sorghum, f.o.b. vessel, Gulf ports (\$/bu.)	2.81	3.34	3.00	2.62	2.90	2.72	2.54	2.36	2.12	2.20
Soybeans, f.o.b. vessel, Gulf ports (\$/bu.)	6.36	7.31	7.38	6.41	6.03	6.03	5.86	5.51	5.44	5.05
Soybean oil, Decatur (cts./lb.)	18.33	23.51	30.75	30.23	32.41	32.42	28.84	23.63	22.41	20.61
Soybean meal, Decatur (\$/ton)	179.70	200.91	166.80	141.02	111.98	110.80	116.39	121.97	130.93	139.67
Cotton, 10 market avg. spot (cts./lb.)	60.10	68.68	68.37	61.15	60.11	59.76	59.55	57.87	56.38	56.14
Tobacco, avg. price of auction (cts./lb.)	172.20	173.96	173.99	172.85	175.84	175.84	175.84	165.14	175.84	175.49
Rice, f.o.b. mill, Houston (\$/cwt.)	18.89	19.39	19.47	18.75	18.75	18.75	18.75	18.63	18.25	18.25
Inedible tallow, Chicago (cts./lb.)	12.85	13.41	17.47	17.96	16.19	14.31	13.60	12.06	11.40	11.50
<b>Import commodities</b>										
Coffee, N.Y. spot (\$/lb.)	1.41	1.33	1.46	1.40	1.38	1.40	1.34	1.33	1.33	1.37
Sugar, N.Y. spot (cts./lb.)	19.86	22.04	21.74	21.55	21.09	n.a.	n.a.	n.a.	n.a.	n.a.
Rubber, N.Y. spot (cts./lb.)	45.48	56.19	49.70	43.58	40.93	41.64	41.55	42.47	43.24	42.92
Cocoa beans, N.Y. (\$/lb.)	.75	.92	1.06	1.00	.96	.92	.96	.98	1.01	1.03
Bananas, (\$/40 lb. box)	6.80	7.93	6.70	5.60	8.30	6.90	5.82	7.65	6.56	5.05

n.a. = not available.



# U.S. agricultural exports

	January-October				October			
	1984	1985	1984	1985	1984	1985	1984	1985
	Thou. units		\$ Thou.		Thou. units		\$ Thou.	
Animals, live (no.)	629	854	209,060	249,851	70	60	30,619	65,339
Meats & preps., excl. poultry (mt)	349	361	775,857	755,781	41	41	82,339	84,717
Dairy products (mt)	348	380	320,174	362,474	35	45	32,791	35,619
Poultry meats (mt)	188	191	231,940	205,040	23	22	26,082	24,068
Fats, oils, & greases (mt)	1,132	1,067	594,712	508,254	96	139	51,699	55,005
Hides & skins incl. furskins	---	---	1,166,568	1,104,683	---	---	96,878	93,174
Cattle hides, whole (no.)	20,831	21,253	890,949	836,210	1,949	1,953	84,152	77,070
Mink pelts (no.)	2,407	2,167	64,647	58,260	49	106	1,512	2,242
Grains & feeds (mt)	89,866	70,483	14,197,051	9,823,110	9,455	7,150	1,382,716	901,733
Wheat (mt)	36,005	20,878	5,517,855	3,056,282	3,737	2,331	561,469	309,841
Wheat flour (mt)	873	696	212,322	147,505	64	25	14,970	5,163
Rice (mt)	1,877	1,692	729,167	560,913	160	197	65,523	65,623
Food grains, excl. products (mt)	44,668	40,681	6,479,384	4,894,706	5,026	3,832	645,940	396,284
Feeds & fodders (mt)	5,763	5,563	984,112	834,549	399	655	66,236	94,492
Other grain products (mt)	680	973	274,209	329,155	69	91	28,578	30,330
Fruits, nuts, and preps. (mt)	1,569	1,584	1,329,826	1,396,845	189	211	192,281	200,007
Fruit juices incl. froz. (hl)	4,621	3,957	189,747	166,313	358	320	16,735	13,518
Vegetables & preps. (mt)	1,237	1,116	805,179	755,441	124	135	79,649	85,621
Tobacco, unmanufactured (mt)	166	168	1,033,045	1,046,468	31	22	187,032	123,617
Cotton, excl. linters (mt)	1,243	1,003	2,026,198	1,488,755	67	48	110,979	69,866
Seeds (mt)	221	231	260,825	277,511	31	19	27,317	20,815
Sugar, cane or beet (mt)	238	303	60,948	53,131	25	25	5,249	4,861
Oilseeds & products (mt)	20,527	17,465	6,577,579	4,450,371	1,492	1,989	451,515	458,052
Oilseeds (mt)	15,693	12,817	4,721,134	3,013,946	1,129	1,523	283,094	323,469
Soybeans (mt)	14,631	12,161	4,263,868	2,760,310	1,114	1,507	270,777	309,785
Protein meal (mt)	3,524	3,679	821,910	666,523	242	374	52,426	71,272
Vegetable oils (mt)	1,309	969	1,034,535	749,903	120	92	95,795	63,310
Essential oils (mt)	9	10	76,562	90,325	1	1	7,329	8,320
Other	326	441	250,665	269,777	20	48	25,568	24,650
Total	---	---	30,732,503	23,597,264	---	---	2,861,012	2,343,520

--- Not available.

## Indexes of nominal and real trade-weighted dollar exchange rates

	1984				1985							
	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov
April 1971=100												
Total agriculture												
Nominal 1/	1,152.2	1,281.5	1,404.0	1,525.5	1,706.5	1,861.0	2,041.6	2,216.7	2,392.4	2,583.3	2,830.0	3,083.2
Real 2/	104.2	106.1	108.5	108.3	104.6	105.2	105.5*	103.1*	101.9*	103.1*	99.3*	99.2*
Soybeans												
Nominal	180.6	185.1	191.9	194.5	187.8	190.3	197.3	203.2	201.4	209.7	210.2	229.2
Real	102.1	103.4	107.4	107.3	101.8	102.4	101.9*	98.5*	96.5*	97.9*	92.7*	92.0*
Wheat												
Nominal	5,964.8	6,598.2	7,285.2	7,988.1	9,092.9	9,996.1	11,011.6	11,995.8	13,007.8	14,116.0	15,606.6	17,029.4
Real	106.9	108.9	109.6	108.8	109.0	110.1	111.5*	110.5*	109.8*	110.3*	108.1*	107.9*
Corn												
Nominal	1,092.5	1,211.9	1,326.1	1,437.7	1,598.6	1,740.2	1,905.4	2,067.3	2,226.7	2,402.8	2,627.2	2,864.8
Real	104.7	106.1	109.4	109.4	104.4	105.2	104.7*	102.0*	100.3*	101.7*	97.4*	97.3*
Cotton												
Nominal	207.0	209.3	211.5	212.9	211.3	212.8	212.8	213.3	213.0	215.1	212.8	214.7
Real	99.1	100.0	101.6	102.3	101.0	101.7	101.1*	99.9*	99.6*	100.4*	98.1*	97.2*

1/ Nominal values are percentage changes in currency units per dollar, weighted by proportion of agricultural exports from the United States. An increase indicates that the dollar has appreciated. 2/ Real values are computed in the same way as the nominal series, adjusted for CPI changes in the countries involved.

\*Preliminary; assumes the same rate of CPI increase/decrease as the previous six months.

## U.S. agricultural imports

	January-October				October			
	1984	1985	1984	1985	1984	1985	1984	1985
	Thou. units		\$ Thou.		Thou. units		\$ Thou.	
Animals, live (no.)	1,770	1,671	507,095	443,446	159	65	48,169	35,445
Meats & preps., excl. poultry (mt)	828	959	1,735,456	1,870,303	102	90	205,719	174,316
Beef & veal (mt)	508	571	1,057,024	1,083,079	69	53	134,900	94,539
Pork (mt)	296	359	626,437	721,512	31	33	66,014	69,486
Dairy products (mt)	339	334	624,419	615,372	46	42	77,776	78,229
Poultry and products	---	---	103,104	81,779	---	---	6,403	10,752
Fats, oils, & greases (mt)	16	18	12,114	15,307	1	1	1,188	1,094
Hides & skins, incl. furskins	---	---	201,308	216,767	---	---	11,522	16,650
Wool, unmanufactured (mt)	48	57	157,945	120,701	4	4	12,251	11,392
Grains & feeds (mt)	1,621	1,701	464,004	503,870	186	168	57,379	59,906
Fruits, nuts, & preps., ex juices (mt)	3,515	3,944	1,447,814	1,665,739	349	297	144,066	127,338
Bananas & plantains (mt)	2,331	2,612	574,959	648,790	285	231	70,105	56,797
Fruit juices (hl)	24,248	27,999	630,307	781,215	3,061	2,049	87,754	51,329
Vegetables & preps. (mt)	1,819	1,826	1,163,222	1,164,529	136	109	85,572	70,968
Tobacco, unmanufactured (mt)	159	159	469,207	464,534	16	14	45,108	41,006
Cotton, unmanufactured (mt)	26	27	15,523	16,028	4	5	1,800	3,347
Seeds (mt)	72	82	85,101	77,166	4	3	6,012	7,053
Nursery stock & cut flowers	---	---	259,412	272,085	---	---	32,319	36,320
Sugar, cane or beet (mt)	2,240	1,760	924,193	659,327	235	91	100,160	32,235
Oilseeds & products (mt)	867	1,092	667,676	628,481	93	101	75,460	51,872
Oilseeds (mt)	158	210	69,614	77,865	16	13	7,011	4,463
Protein meal (mt)	89	130	15,314	12,997	9	8	1,245	812
Vegetable oils (mt)	620	752	582,747	537,620	67	79	67,204	46,597
Beverages excl. fruit juices (hl)	11,970	13,114	1,280,565	1,354,000	1,212	1,239	153,141	147,685
Coffee, tea, cocoa, spices (mt)	1,532	1,595	4,177,569	4,221,767	150	134	421,321	339,525
Coffee, incl. products (mt)	961	969	2,859,475	2,756,321	101	86	303,954	278,243
Cocoa beans & products (mt)	400	466	948,545	1,103,241	29	33	73,546	76,741
Rubber & allied gums (mt)	675	679	708,215	554,882	64	71	61,922	52,145
Other	---	---	720,930	774,457	---	---	70,198	75,651
<b>Total</b>	---	---	16,355,178	16,501,756	---	---	1,683,040	1,424,260

-- Not available.

## Trade balance

	January-October		October	
	1984	1985	1984	1985
	\$ Mil.			
<b>Exports</b>				
Agricultural	30,733	23,597	2,861	2,343
Nonagricultural	145,071	149,623	15,225	14,779
Total 1/	175,804	173,220	18,086	17,122
<b>Imports</b>				
Agricultural	16,355	16,502	1,683	1,424
Nonagricultural	255,239	266,538	25,585	26,816
Total 2/	271,594	283,040	27,268	28,240
<b>Trade balance</b>				
Agricultural	14,378	7,095	1,178	919
Nonagricultural	-110,168	-116,915	-10,360	-12,037
Total	-95,790	-109,820	-9,182	-11,118

1/ Domestic exports including Department of Defense shipments (F.A.S. value). 2/ Imports for consumption (customs value).



# U.S. agricultural exports by regions

Region & country	January-October		October		Change from year earlier	
	1984	1985	1984	1985	January- Oct	Oct
	\$ Mil.				Percent	
Western Europe	7,054	5,453	662	713	-23	8
European Community	5,169	4,042	466	533	-22	14
Belgium-Luxembourg	607	320	53	48	-47	-8
France	399	281	33	27	-29	-17
Germany, Fed. Rep.	854	710	70	91	-17	29
Italy	658	512	57	40	-22	-29
Netherlands	1,767	1,440	141	209	-19	48
United Kingdom	613	504	77	94	-18	22
Other Western Europe	1,885	1,410	196	180	-25	-8
Portugal	579	379	49	45	-35	-9
Spain	849	645	91	91	-24	0
Switzerland	232	166	21	10	-28	-51
Eastern Europe	588	365	28	31	-38	11
Germany Dem. Rep.	92	37	6	0	-60	-97
Poland	152	83	6	5	-46	-20
USSR	2,119	1,499	295	44	-29	-85
Asia	12,193	9,065	1,040	885	-26	-15
West Asia (Mideast)	1,631	1,018	165	87	-38	-48
Turkey	230	56	20	4	-76	-83
Iraq	423	248	36	24	-41	-32
Israel	278	231	28	15	-17	-46
Saudi Arabia	408	285	46	24	-30	48
South Asia	727	453	62	44	-38	-28
India	227	84	20	12	-63	-40
Pakistan	291	223	16	29	-23	79
East & Southeast Asia	9,835	7,593	812	754	-23	-7
China	545	130	49	8	-76	-84
Taiwan	1,110	926	106	89	-12	-16
Japan	5,431	4,310	465	463	-21	0
Korea, Rep.	1,408	1,172	79	95	-17	19
Hong Kong	343	329	43	45	-4	4
Indonesia	352	151	24	13	-57	-44
Philippines	276	234	24	15	-15	-35
Africa	2,550	2,090	226	209	-18	-7
North Africa	1,460	989	133	128	-32	-4
Morocco	355	93	26	3	-74	-87
Algeria	154	158	22	4	2	-82
Egypt	798	704	70	119	-12	69
Sub-Saharan	1,090	1,101	92	81	1	-13
Nigeria	276	278	34	18	1	46
Rep. S. Africa	409	100	23	8	-75	-68
Latin America & Caribbean	4,380	3,568	430	314	-19	-27
Brazil	365	368	64	19	1	-71
Caribbean Islands	694	643	68	66	-7	-4
Colombia	180	186	33	15	3	-56
Mexico	1,701	1,229	136	91	-28	-33
Peru	144	62	21	9	-57	-57
Venezuela	622	547	51	36	-12	-28
Canada	1,669	1,406	157	129	-16	-18
Oceania	180	152	25	19	-16	-24
Total	30,733	23,597	2,861	2,344	-23	-18

# World Agricultural Production

## World supply and utilization of major crops

	1979/80	1980/81	1981/82	1982/83	1983/84	1984/85 E	1985/86 P
	Mil. units						
<b>Wheat</b>							
Area (hectare)	227.6	236.9	238.7	237.5	229.1	231.1	230.0
Production (metric ton)	422.8	442.9	448.4	479.1	491.0	513.9	505.2
Exports (metric ton) 1/	86.0	94.1	101.3	98.6	102.9	107.2	90.9
Consumption (metric ton) 2/	443.5	445.7	441.4	467.9	486.6	500.6	494.2
Ending stocks (metric ton) 3/	80.4	78.2	85.1	96.5	100.8	114.1	125.1
<b>Coarse grains</b>							
Area (hectare)	341.1	342.4	350.2	339.2	333.8	340.7	343.7
Production (metric ton)	741.5	732.9	769.9	779.2	685.3	808.3	845.0
Exports (metric ton) 1/	98.8	108.0	96.6	89.9	91.9	101.0	93.8
Consumption (metric ton) 2/	740.3	743.0	739.8	753.6	757.7	777.9	793.1
Ending stocks (metric ton) 3/	91.6	82.8	112.9	138.6	66.1	96.6	148.5
<b>Rice, milled</b>							
Area (hectare)	143.1	144.4	145.1	141.2	143.9	143.9	143.5
Production (metric ton)	253.9	271.0	280.6	285.7	307.7	319.3	317.3
Exports (metric ton) 4/	12.7	13.1	11.8	11.9	12.6	11.2	11.4
Consumption (metric ton) 2/	257.8	272.3	281.5	289.6	307.8	315.5	315.3
Ending stocks (metric ton) 3/	23.4	22.1	21.3	17.3	17.2	21.0	23.0
<b>Total grains</b>							
Area (hectare)	711.8	723.8	733.9	717.8	706.8	715.7	717.2
Production (metric ton)	1,418.2	1,446.8	1,498.9	1,544.1	1,484.0	1,641.5	1,667.5
Exports (metric ton) 1/	197.5	215.2	209.7	200.5	207.4	220.4	196.1
Consumption (metric ton) 2/	1,441.9	1,461.0	1,462.7	1,511.0	1,552.1	1,594.0	1,602.6
Ending stocks (metric ton) 3/	195.4	183.2	219.3	252.4	184.1	231.7	296.6
<b>Oilseeds</b>							
Production (metric ton)	170.1	155.8	169.3	178.0	164.8	188.1	196.7
Trade (metric ton)	35.9	32.1	35.9	35.0	32.9	32.3	33.3
<b>Meals</b>							
Production (metric ton)	92.9	90.8	94.0	98.0	92.8	100.3	101.8
Trade (metric ton)	26.5	25.9	28.9	31.5	29.5	31.5	31.7
<b>Oils</b>							
Production (metric ton)	39.7	40.0	41.5	43.3	42.2	46.3	47.3
Trade (metric ton)	12.8	12.5	13.2	14.2	14.2	15.4	15.5
<b>Cotton</b>							
Area (hectare)	32.2	32.4	33.2	31.9	31.3	34.3	33.1
Production (bale)	65.2	64.8	70.8	67.5	67.6	87.2	81.1
Exports (bale)	23.1	19.7	20.2	19.4	19.2	20.4	19.3
Consumption (bale)	65.3	65.9	65.5	68.0	68.9	69.1	72.1
Ending stocks (bale)	24.0	24.1	25.4	25.2	24.7	42.3	51.2

E = Estimated. P = Projected. 1/ Excludes intra-EC trade. 2/ Where stocks data not available (excluding USSR), consumption includes stock changes. 3/ Stocks data are based on differing marketing years and do not represent levels at a given date. Data not available for all countries; includes estimated change in USSR grain stocks but not absolute level. 4/ Calendar year data. 1980 data correspond with 1979/80, etc.



# Farm Income

## Farm income statistics

	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985 F	1986 F
	\$ Bill.										
<b>Receipts</b>											
Cash receipts:											
Crops 1/	49.0	48.6	53.0	62.3	71.8	72.9	72.7	66.8	69.1	66 to 70	64 to 68
Livestock	46.3	47.6	59.2	69.2	68.0	69.2	70.3	69.4	72.7	67 to 71	69 to 73
Total	95.4	96.2	112.2	131.5	139.8	142.1	142.9	136.3	141.8	136 to 140	134 to 138
Other cash income 2/	1.8	3.0	4.9	3.6	3.5	4.4	6.1	11.8	11.4	8 to 12	8 to 12
Gross cash income	97.2	99.3	117.1	135.1	143.3	146.5	149.0	148.1	153.3	147 to 152	145 to 150
Nonmoney income 3/	7.3	8.4	9.2	10.5	12.2	13.7	14.0	13.1	12.9	11 to 13	10 to 12
Realized gross income	104.4	107.6	126.3	145.6	155.5	160.2	163.0	161.2	166.1	158 to 163	156 to 161
Value of inventory chg	-1.5	1.1	2.1	5.0	-5.9	5.8	-1.4	-10.6	7.8	-1 to 3	-4 to 0
Total gross income	102.9	108.8	128.4	150.7	149.6	166.0	161.6	150.6	174.0	159 to 164	154 to 159
<b>Expenses</b>											
Cash expenses 4/	67.8	72.0	82.6	98.1	106.1	110.7	110.7	109.8	114.1	108 to 112	107 to 111
Total expenses	82.7	88.9	101.0	119.0	129.4	136.1	136.9	135.6	139.5	132 to 136	130 to 134
<b>Income</b>											
Net cash income	29.4	27.3	34.6	37.0	37.2	35.8	38.3	38.3	39.2	37 to 41	37 to 41
Total net farm income	20.2	19.9	27.4	31.7	20.2	29.8	24.6	15.0	34.5	25 to 29	22 to 26
Deflated total net farm income 5/	15.2	14.2	18.2	19.4	11.3	15.3	11.9	7.0	15.5	11 to 13	9 to 11
Off-farm income	26.7	26.1	29.7	33.8	35.1	36.9	37.9	38.8	40.0	39 to 43	40 to 44

F = Forecast. 1/ Includes net CCC loans. 2/ Income from machine hire and custom work, farm recreational income, and direct government payments. The 1978-1986 figures include sales of forest products and other misc. sources. 3/ Imputed gross rental value of farm dwellings and value of home consumption. 4/ Excludes depreciation of farm capital, perquisites to hired labor, and expenses associated with farm dwellings, and includes net rent to all landlords. 5/ Deflated by the GNP implicit price deflator, 1972=100. Totals may not add due to rounding.

## Farm production<sup>1</sup>

	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985 2/
	1977=100									
<b>Farm output</b>	97	100	104	111	103 <sup>1</sup>	118	114	95	111	117
All livestock products 3/	99	100	101	104	108	109	107	109	107	110
Meat animals	100	100	100	103	107	106	101	103	101	101
Dairy products	98	100	99	101	105	108	110	114	110	116
Poultry & eggs	98	100	106	114	115	119	119	120	123	127
All crops 4/	92	100	102	113	101	116	118	88	110	117
Food grains	96	100	108	116	97	121	124	67	115	132
Hay & forage	94	100	106	108	98	106	110	101	107	107
Food grains	107	100	93	108	121	144	140	117	129	120
Sugar crops	112	100	101	94	97	107	96	96	95	96
Cotton	74	100	76	102	79	109	85	54	90	96
Tobacco	112	100	106	80	93	108	104	74	90	80
Oil crops	74	100	105	129	99	114	124	89	106	119
Cropland used for crops	98	100	97	100	101	102	101	88	99	99
Crop production per acre	94	100	105	113	100	114	117	100	111	118

1/ For historical data and indexes, see Changes in Farm Production and Efficiency USDA Statistical Bulletin 65/.  
2/ Preliminary indexes for 1985 based on November 1985 Crop Production report and other releases of the Crop Reporting Board, SRS. 3/ Gross livestock production includes minor livestock products not included in the separate groups shown. It cannot be added to gross crop production to compute farm output. 4/ Gross crop production includes some miscellaneous crops not in the separate groups shown. It cannot be added to gross livestock production to compute farm output.

# Cash receipts<sup>1</sup> from farm marketings, by States

State	Livestock and products		Crops 2/		Total 2/	
	Jan.-Sept. 1984	Jan.-Sept. 1985	Jan.-Sept. 1984	Jan.-Sept. 1985	Jan.-Sept. 1984	Jan.-Sept. 1985
	\$Mil.					
North Atlantic						
Maine	215	190	133	101	348	292
New Hampshire	57	57	23	24	80	81
Vermont	273	279	16	16	289	295
Massachusetts	99	99	146	148	245	247
Rhode Island	10	10	36	36	46	46
Connecticut	161	149	109	114	270	263
New York	1,430	1,387	565	511	1,995	1,898
New Jersey	101	101	276	286	377	387
Pennsylvania	1,695	1,608	649	675	2,343	2,283
North Central						
Ohio	1,214	1,084	1,160	1,318	2,374	2,402
Indiana	1,310	1,163	1,267	1,193	2,577	2,357
Illinois	1,646	1,649	3,031	3,350	4,677	4,999
Michigan	969	922	906	1,022	1,875	1,944
Wisconsin	3,072	3,031	673	582	3,745	3,612
Minnesota	2,429	2,392	1,740	1,739	4,169	4,131
Iowa	3,730	3,399	2,713	2,430	6,443	5,829
Missouri	1,622	1,530	971	733	2,593	2,263
North Dakota	490	501	1,126	1,278	1,617	1,779
South Dakota	1,330	1,328	733	781	2,063	2,109
Nebraska	3,395	3,459	1,603	1,363	4,998	4,822
Kansas	2,795	2,776	1,712	1,681	4,507	4,457
Southern						
Delaware	303	268	79	72	383	340
Maryland	625	582	212	213	837	794
Virginia	811	790	356	344	1,167	1,133
West Virginia	131	130	24	31	155	161
North Carolina	1,430	1,321	1,391	1,174	2,821	2,495
South Carolina	318	280	434	400	752	680
Georgia	1,448	1,228	959	977	2,407	2,205
Florida	828	781	2,604	2,319	3,432	3,100
Kentucky	957	962	503	797	1,460	1,760
Tennessee	733	750	427	571	1,159	1,321
Alabama	1,088	965	310	358	1,397	1,324
Mississippi	796	764	319	530	1,115	1,294
Arkansas	1,461	1,305	527	737	1,988	2,042
Louisiana	361	362	439	438	800	801
Oklahoma	1,283	1,380	579	731	1,862	2,111
Texas	4,482	4,158	2,319	2,752	6,800	6,909
Western						
Montana	468	476	468	352	935	828
Idaho	657	658	808	737	1,465	1,395
Wyoming	273	273	57	55	330	328
Colorado	1,595	1,427	787	888	2,382	2,314
New Mexico	438	475	209	256	647	730
Arizona	585	524	388	485	973	1,009
Utah	317	307	97	99	414	406
Nevada	130	131	57	56	187	186
Washington	768	735	1,340	1,179	2,108	1,914
Oregon	455	454	819	714	1,274	1,168
California	3,376	3,174	5,801	6,118	9,177	9,292
Alaska	5	5	10	10	15	15
Hawaii	65	65	394	371	459	436
United States	54,230	51,845	42,304	43,143	96,534	94,988

1/ Estimates as of the end of current month. 2/ Sales of farm products include receipts from commodities placed under CCC loans minus value of redemptions during the period. Rounded data may not add.



Cash receipts from farming

	1984				1985								
	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sept
Farm marketings and CCC loans 1/	12,210	15,728	16,120	13,453	13,162	9,750	10,370	9,560	9,122	9,875	10,659	10,168	12,322
Livestock and products	5,963	6,387	6,224	5,898	6,165	5,748	6,017	5,711	5,827	5,655	5,421	5,451	5,851
Meat animals	3,355	3,572	3,617	3,333	3,684	3,408	3,419	3,228	3,315	3,151	2,807	2,963	3,205
Dairy products	1,436	1,497	1,472	1,546	1,538	1,445	1,606	1,539	1,586	1,498	1,490	1,481	1,421
Poultry and eggs	941	1,009	1,006	909	799	795	879	825	813	897	868	906	1,004
Other	231	308	129	111	143	99	112	119	113	108	256	101	221
Crops	6,247	9,341	9,896	7,554	6,997	4,002	4,353	3,849	3,295	4,220	5,239	4,716	6,471
Food grains	1,138	1,096	686	538	653	448	397	300	280	1,153	1,643	1,170	1,231
Feed crops	1,178	1,971	2,660	2,119	2,476	1,093	1,179	880	753	845	1,085	1,044	1,208
Cotton (lint and seed)	208	946	1,030	864	638	468	200	92	-43	83	13	63	223
Tobacco	537	452	457	414	493	64	30	24	4	0	63	365	541
Oil-bearing crops	806	2,402	2,364	1,370	1,390	683	1,012	708	544	610	682	438	948
Vegetables and melons	1,038	1,033	682	608	573	480	619	757	753	628	610	774	1,019
Fruits and tree nuts	667	734	870	736	254	251	224	226	355	507	693	470	551
Other	676	706	1,149	905	520	515	693	862	649	395	399	393	671
Government payments	115	85	334	1,940	802	1,452	806	2,481	377	192	207	50	103
Total cash receipts	12,325	15,813	16,454	15,393	13,964	11,202	11,176	12,041	9,499	10,067	10,866	10,198	12,425

1/ Receipts from loans represent value of commodities placed under CCC loans minus value of redemptions during the month.

Transportation Data

Rail rates; grain and fruit-vegetable shipments

	Annual			1985						
	1982	1983	1984	Oct	May	June	July	Aug	Sept	Oct
Rail freight rate index 1/ (Dec 1984 = 100)										
All products	93.7	95.0	99.3	99.9	100.0	99.9	99.8	99.8 p	99.8 p	99.8 p
Farm products	92.4	94.0	98.7	100.0	99.9	98.5	97.5	97.7 p	97.6 p	97.6 p
Grain	93.4	94.0	98.6	100.0	99.5	97.5	96.4	96.4 p	96.3 p	96.3 p
Food products	93.7	94.8	99.1	99.7	100.1	100.1	100.0	100.1 p	100.1 p	100.1 p
Grain										
Rail carloadings (thou. cars) 2/4/	24.9	26.1	27.3	24.5	17.2	23.2	22.5	29.8	18.8	23.8
Barge shipments (mil. bu.) 3/	41.2	40.8	37.2	49.4	25.4	26.0	27.0	24.1	34.0	39.9
Fresh fruit & vegetable shipments										
Piggy back (thou. cwt.) 3/ 4/	387	545	568	334	852	764	630	479	590	485
Rail (thou. cwt.) 3/ 4/	698	786	641	399	553	897	394	216	288	362
Truck (thou. cwt.) 3/ 4/	7,849	7,786	7,861	6,711	10,023	10,419	8,530	7,882	7,252	7,237

1/ Department of Labor, Bureau of Labor Statistics, revised March 1985. 2/ Weekly average; from Association of American Railroads. 3/ Weekly average; from Agricultural Marketing Service, USDA. 4/ Preliminary data for 1985. p = preliminary.

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NOTE: Each issue of *Agricultural Outlook* contains highlights of the situation and outlook for the following commodities—

- **Livestock:** cattle, hogs, broilers, eggs, turkeys, dairy
- **Crops:** wheat, rice, feed grains, oilseeds, cotton, peanuts, tobacco, sugar, vegetables, fruit

These commodity summaries are included in the "Agricultural Economy" section.

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